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The Commercial and FINANCIAL CHRONICLE

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Peacetime Prospects Of The Chemical Industry

By CHARLES A. HIGGINS

President, Hercules Powder Co., Wilmington, Del.

Charles A. Higgins

Many observers refer to the postwar period variously as the age of plastics, the age of the electronics, the age of synthetics—actually, the future will be essentially an age of change. In a period of sweeping changes, the chemical industry is particularly well-equipped to survive and to prosper, for the very word "chemistry" connotes change.

Industry in general should follow very closely the developments from our chemical laboratories because the products of the chemical industry have had in many cases such a revolutionary effect on older established industries—witness the effect of synthetic fibers, high octane gasoline, and synthetic resins—all products of the chemical industry — upon

(Continued on page 17)

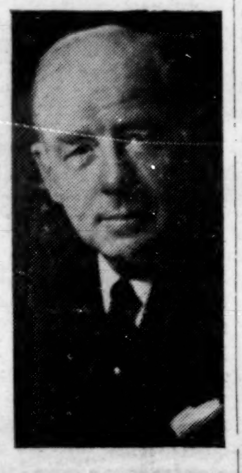
Pennsylvania Corporates-Municipals

Special section devoted exclusively to Pennsylvania corporate and municipal securities starts on page 6.

"Peace Through World Trade" ... Removal of Trade Barriers Urged

Thomas Lamont, Eric Johnston and Thomas J. Watson Participate In NBC Symposium

The development of world trade as of paramount importance for the preservation of peaceful relations was advocated on June 26 by Thomas W. Lamont, Chairman of the Board of J. P. Morgan & Co., Inc.; Thomas J. Watson, President of the International Business Machines Co., and Eric Johnston, President of the Chamber of Commerce of the United States.



Thomas W. Lamont

The three leaders of business and finance participated in a symposium produced by the National Broadcasting Company's University of the Air in its weekly series "For This We Fight."

Mr. Lamont stated that this country can never be "isolationist" again and warned against the "colossal blunders" in trade policies following the last war.

Mr. Watson asserted that after victory is achieved "our number one obligation is to see that justice is done to all the peoples and countries which have received such inhuman treatment and experienced such untold suffering and misery." Praising Secretary of State Hull's reciprocal trade policy, Mr. Watson stated that this country "should help to establish trading policies that are fair to all people." He added that the policy of reciprocal trade agreements "can lay a solid foundation for the four freedoms we are fighting for."

Mr. Johnston declared that if we are to have lasting peaceful world relations when the war is over "we must also have lasting international trade relations of a productive and trade promotive character. He added that "this job of keeping the channels of world trade cleared of jagged rocks and sunken logs is not merely the job of Government. It should be the job of Government in the closest cooperative relationship with business and industry."

We are giving the remarks of the several speakers in full herewith:

Mr. Lamont's Remarks

"The broadcasts in this series have made clear that here in America a sense of responsibility as to the post-war world is decidedly on the increase. Never shall we Americans dare to be isolationists again. Powerful as America may be, she can never, by her own force alone, insure herself against war.

"This war has shown beyond peradventure that we cannot maintain our freedom unless we pay for it. At home we enjoy freedom only because as citizens we contribute to the support of the state, to its power to maintain order and justice. In precisely the same way as a citizen nation among other nations we have to undertake certain responsibilities that go with freedom.

"What, then, is our responsibility in matters of world trade,

(Continued on page 19)

Price Fixing Curbs Production And Leads To Rationing Says Dr. Roos

Paying for War Out of Income Called Ideal Method of Controlling Inflation

That "price fixing discourages production and so brings about the need for its corollary—rationing," was the observation made last month by Charles F. Roos, President of the Econometric Institute, Inc., of New York City, who further stated that "in its utmost simplicity rationing represents an attempt to substitute a scarce supermoney (the ration coupon) for the excessive ordinary money." "The first effect," he went on to say, "is to shift the demand from the rationed commodity to others which are growing scarce, and are, therefore likely to be rationed."

Dr. Charles F. Roos

The remarks of Mr. Roos were addressed to the Controllers Congress of the National Retail Dry Goods Association, at its Wartime Conference, in an address dealing with "Postwar Planning Problems of the Retailer." Among the matters discussed therein were the rapid increase of currency in circulation, and anti-inflation methods, as to which latter he said, "there are probably nearly as many methods proposed for controlling inflation as there are economists or business or political leaders who have studied the problems." "Many writers on inflation," he noted, "have urged forced savings as a cure for inflation, but," he said, "if it were feasible, the ideal solution would be to pay for the entire war out of current income." "This," he went on to say, "would mean pay-as-you-go taxes equal in amount to the total Government expenditures. Such a solution would so decrease purchasing power as to bring disposable income, and hence demand, in line with civilian supply."

Mr. Roos made the statement in his address that "nothing offered so far by Government that is politically feasible will prevent the price-level from rising," and he noted that "many of the problems facing retailers after the war will be associated with changing price levels."

The address of Mr. Roos follows in full:

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Investment Banking Industry Will Have Vast Financing Responsibilities After The War

Four heavy post-war responsibilities will fall on investment banking, the Industrial Securities Committee of the Investment Bankers Association of America pointed out in a special report made public on June 27. These are:

1. Refinancing the short-term debts contracted by industries during the war.
2. Serving new investors—estimated at a potential 75,000,000 on the basis of new bond buyers created by war financing.
3. Helping the Government handle its enormous debt, and
4. Meeting "unprecedented" demands from industry for new capital.

Percy M. Stewart

The Association points out that as a "synopsis" of a fuller report when clearer forecasts and estimates are possible, the present study offered few figures on prospective volume of new financing in the conversion period following the war. It stated, however, that "new capital demands for the first three years following the war's end should be not less than $5,000,000,000 for each year." It added that this "staggering figure" might "easily be reached and possibly exceeded" in consideration of the pressure on management to keep industry operating at a high rate to provide jobs for returning servicemen.

The report was submitted by Percy M. Stewart of Kuhn, Loeb & Co., New York City, Chairman of the Committee. Other members are: Walter W. Ainsworth, Metropolitan St. Louis Co., St. Louis; Peter Ball, Ball, Coons & Co., Cleveland; Louis J. Cross, Paul H. Davis & Co., Chicago; Henry H. Egly, Dillon, Read & Co., New York; Charles S. Garland, Alex. Brown & Sons, Baltimore; W. Sydnor Gilbreath, Jr., First of Michigan Corp., Detroit; I. A. Long, Mercantile-Commerce Bank

(Continued on page 7)

Baltimore Exchange Head Urges Elimination Of Restrictions On Exchange Trading Privileges

Howard R. Taylor, President of the Baltimore Stock Exchange, has appealed to members of Congress to correct the situation which permits the over-the-counter market to trade in all listed and unlisted securities while the supervised stock exchanges are restricted in their trading privileges. Mr. Taylor said that "unless appropriate action is taken permitting all regional exchanges to trade in any and all securities, whether listed or unlisted, on these exchanges which afford the only market of record with proper supervision for the protection of the public, it is quite apparent that these small exchanges will be forced to discontinue operations and the entire securities business of the country will become concentrated in the large financial centers."

The letter addressed by Mr. Taylor, under date of June 26, to the members of both houses of Congress, follows:

"Securities and Exchange Commission and the Acts re: under which it operates, i.e., Securities Act of 1933 and the Securities Exchange Act of 1934.

"You no doubt are familiar with the matters pertaining to the subject Commission now pending before the House Committee on Foreign and Interstate Commerce and also before the Senate Committee on Banking and Currency—in particular, the Proxy Rules, but, are you familiar with all of the facts which vitally affect the national securities exchanges (stock exchanges) all over the country?

"Do you know that any and all securities may be bought and sold in any public or private place, while by congressional Act a large percentage of the securities purchased by the public every day are barred from being traded on the supervised stock exchanges? These exchanges are the natural *markets of record,* have a definite commission schedule, and are so regulated that the public cannot be deceived.

"In other words, the only securities which may be traded in

(Continued on page 8)

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Firm Name Is Now Allman, Moreland Co.

DETROIT, MICH.—It is announced that the name of Allman, Everham & Co., is being changed to Allman, Moreland & Co. The firm, which is located in the Penobscot Building, is a member of the Detroit Stock Exchange.

Russell V. Allman remains as President, but will continue to spend the greater portion of his time as President of Saylor, Beall Manufacturing Co. of Detroit and the Triangle Engineering Co. of St. Johns, Mich., which firms are heavily engaged in war production.

Paul I. Moreland, as Vice-President, will continue as executive head of the company, which position he has held since the resignation of Mr. Everham several months ago. Mr. Moreland has been with the firm as sales manager since 1938, at which time his former company of Wm. M. Lee & Co. consolidated with Allman, Everham & Co. Moreland is the firm member of the Detroit Stock Exchange and has served on several Exchange Committees. He is past President of Detroit Chapter, American Institute of Banking and has been active in public education work with this organization and also the Investment Bankers Association. Mr. Moreland is currently serving the Securities Traders Association of Detroit and Michigan as Vice-President. He was also recently elected a Commissioner of the Village of Grosse Pointe Park.

Edmund F. Kristensen has been elected Secretary and will also continue as Treasurer and Office Manager.

In addition to its Detroit office, branch offices are maintained in Battle Creek and Lansing and the firm has a representative in Muskegon.

Change of the firm's name was previously reported in the "Financial Chronicle" of June 24.

L. S. Kerr Co. Will Admit Lewis Kerr Jr.

Lewis S. Kerr, Jr., member of the New York Curb Exchange, will acquire the New York Stock Exchange membership of the late Lewis S. Kerr and become a partner in L. S. Kerr & Co., 14 Wall Street, New York City, on July 8 Mr. Lewis Kerr has recently been active as an individual Curb floor broker, and prior thereto he was a partner in Rockwell & Kerr.

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Josephthal Co. Admits Gartman And Wilson

Josephthal & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading Exchanges, announce that Mortimer J. Gartman and James S. Wilson, who have been associated with their firm for many years, have been admitted as general partners.

Now Blickensderfer Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Harold V. Blickensderfer is now doing business under the firm name of H. V. Blickensderfer Co. with offices at 523 West Sixth Street.

Harry Press In New York

Harry H. Press has opened offices at 120 Wall Street, New York City, to act as dealer in U. S. government securities, state and municipal bonds and general market securities.

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Birger L. Johnson Joins Reynolds & Co.

Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges, announce that Birger L. Johnson, formerly President of the Memphis Natural Gas Co., is now associated with them.

Laurence Marks Co. To Admit Two Partners

Laurence M. Marks & Co., 49 Wall Street, New York City, members of the New York Stock Exchange, will admit David W. Lovell and Winfield H. Perdun to partnership as of July 8.

G. H. Lyman Jr. To Be Partner In Hovey Co.

BOSTON, MASS. — George H. Lyman, Jr., will become a partner in Chandler Hovey & Co., 82 Devonshire Street, members of the New York and Boston Stock Exchanges, effective July 8.

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OUR REPORTER'S REPORT

Another railroad bond issue, this time $28,483,000 of first and refunding 3¾s of the Pennsylvania, Ohio & Detroit Railroad, though offered publicly and sold, was left hanging in the balance this week when a group of midwestern bankers urged the Interstate Commerce Commission to force the issuer to open the sale to competitive bidding.

The company had closed with its bankers, through negotiation, for the sale of the bonds when the midwestern group which followed a similar course back in March in the instance of an Erie Railroad operation, petitioned the Commission and advised the Pennsylvania Railroad, lessee of the issuing road and the latter itself of willingness to bid for the bonds.

The bonds were sold, however, and the company has since applied to the Commission for the necessary authority.

The head of the issuing road, taking cognizance of the midwestern banking group's action, in his letter of application to the Commission urged the latter, "in the light of its history of fair regulation under the law, to see to it that purely private interests without responsibility in this matter and concerned only with prospective bankers' profits, should not be permitted to defeat the accomplishment of a result which materially advantages the credit of two of the railroads whose welfare is entrusted to the Commission."

Hearing on the road's application has been set for July 8, in the wake of a demand for such hearing by Senator Shipstead, (Minn.) because of lack of competitive bidding.

Although the Interstate Commerce Commission refused approval of the Erie issue in question last Spring, it was for reasons other than those involving the matter of competitive bidding. In fact the Commission did not commit itself on that score at the time.

(Continued on page 20)

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IBA Group To Study Post-War Prospects For Transportation Expansion And Financing

Anticipating a big demand for capital from railroads, airlines and other transportation services after the war, the Railroad Securities Committee of the Investment Bankers Association of America has inaugurated research into the nature and extent of these requirements. In a preliminary report issued on June 25, outlining the projected study, the Committee said that billions may have to be raised to provide for new equipment and for the rehabilitation and modernization of the railroad properties, for new central control systems, new terminal facilities, new shops, the elimination of curves and grades and other similar improvements.

John S. Loomis

War conditions are preventing adequate maintenance and few roads are making proper cash provisions for deferred maintenance, the Committee said. Total capital expenditures of $1,000,000,000 a year for ten years following the war are predicted by some authorities, it said. Of this $600,000,000 is expected to come from earnings and depreciation reserves, indicating that the roads would enter the public capital markets for some $400,000,000 a year.

Restoration of the credit of the railroads is essential if they are to have ready access to the necessary capital, the Committee said. Public confidence was said to be returning to the carrier securities, "slowly and surely." The financial health of the railroads, on the other hand, is considered by the Committee to be restored except for the lack of credit. The report also said:

"Current abnormal earnings are enabling the roads to pile up large amounts of cash which they are using to reduce their debts through the purchase of bonds in the market. An amount close to

(Continued on page 8)

Regulating Labor Unions Through Laws Of Anti-Trust Type Urged By Emery

Regulation of labor organizations through anti-trust type legislation is advocated in a six-point program for labor released by DeWitt Emery, President of the National Small Business Men's Association, in a statement to the association's members. The program, which Mr. Emery says would solve the present and future labor problems, contains the following recommendations:

"1. Prohibit labor combinations in restraint of trade. An anti-trust law for labor organizations.

"2. Limit activities of labor organizations to lawful labor objectives, which lawful objectives would be defined by Congress.

"3. Outlaw contributions by labor organizations to any political party or candidate for public office.

"4. Require local unions to file detailed financial statements at least once a year with the state auditor, and national unions to file similar statements with the Secretary of Labor, all statements to be open to public inspection at any time.

'5. Require labor unions to give 15 to 30 days' notice of intention to strike, during which time the courts would have jurisdiction for the purpose of determining in a summary proceeding, at the request of the employer, whether or not the objectives of the strike constituted lawful labor objectives. If so, the strike would be called. If not, then calling the strike would constitute contempt of court punishable by a heavy fine or imprisonment, or both.

"6. Reaffirm the constitutional right of every man and every woman to earn his or her living without being required to pay tribute to any organization for the right to work."

Part of Mr. Emery's suggested over-all program for more efficient prosecution of the war and more intelligent post-war planning is directed toward solution of one of the major basic problems today. In his comment, Mr. Emery said:

"For 10 years organized labor has been given the green light with very little hindrance. The

(Continued on page 8)

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Detroit Traders To Hold Summer Outing

DETROIT, MICH. — Pine Lake Country Club and Rotunda Inn will be the scene of the Annual Summer Outing of the Securities Traders' Association of Detroit and Michigan on July 21, 1943, according to an announcement just released by Association officials.

Golf, softball, tennis and swimming will be available to members and their guests. A War Bond Raffle in charge of Ray P. Bernardi, Cray, McFawn & Co., is also planned.

Out-of-town traders are cordially invited. H. Russell Hastings, H. Russell Hastings Co., is President of the Association and Don Miller, McDonald, Moore & Co., Secretary. Ray E. Davis, E. H. Rollins & Sons, Inc., is Chairman of the Entertainment Committee.

New Washington Branch

WASHINGTON, D. C.—R. H. Johnson & Co. have opened a branch office in the Woodward Building, under the management of E. S. Warren.

Seaboard Reorganization Possibilities Interesting

L. H. Rothchild & Co., 120 Broadway, New York City, have prepared an interesting study of the significance of the Special Master's plan for the reorganization of Seaboard Air Line, pointing out various exchanges which the firm believes might profitably be made in the Seaboard securities. Copies of this interesting study may be had upon request from L. H. Rothchild & Co.

Attractive Possibilies

The current situation in Allen B. DuMont Laboratories, Inc., and National Airlines, Inc., offer interesting possibilities, according to memoranda being distributed by Ward & Co., 120 Broadway, New York City. Copies of these interesting memoranda are available from the firm upon request.

To Act As Alternate

The New York Stock Exchange will consider today the proposal that Joseph V. Shields act as alternate on the floor of the Exchange for Jòhn J. Robinson.

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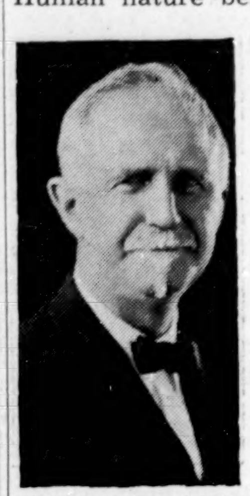
Rationing and Price-Fixing

Roger W. Babson Tells Why These Policies Are Necessary


Roger W. Babson

When rationing and price-fixing were introduced, they were the primary topics of discussion. Human nature being what it is, almost everyone's first thought was for himself. War, however, makes a person take for granted what in normal times he could not even imagine, and today points, stamps and price-ceilings seem almost natural. But complaints and misunderstandings are still evident. Today I wish to defend and explain the need for rationing and price-fixing.

War Comes First

We can never lose sight of the fact that we are engaged in a war. Our first concern is to win. Keeping our manpower at peak efficiency is necessary. Our fighting men must have first choice of all necessities. The Government sees that our soldiers get the best of everything. What is left goes to the civilian population. There is enough, but its fair distribution cannot be left to chance.

Civilian manpower must back up fighting manpower. Therefore the war workers on the home front, and those with less important jobs, must have their share of vital commodities. If this division were left to the individual there would be too many selfish and thoughtless people who would first see that they got everything they could possibly need. Consequently a plan to divide all scarce items on the basis of fairness and need has been devised. **This is rationing.**

Rationing Is Sharing

Rationing distributes available supplies to all, not just to those who can pay high prices for scarce goods. An example of this is the shoe situation. Heavy sup-

(Continued on page 8)

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

(Special to The Financial Chronicle)

BOSTON, Mass. — **George A. Brooks** has been added to the staff of **The First Boston Corp.**, 1 Federal Street.

(Special to The Financial Chronicle)

BOSTON, Mass. — **Edward W. Morse, Jr.** has become associated with **Josephthal & Co.**, 19 Congress Street.

(Special to The Financial Chronicle)

BOSTON, Mass.—**Peter R. Fournier, Coleman H. Grant, Jr., Fred E. Kroker**, and **John J. Sweet** are now with **Trust Funds, Inc.**, 89 Broad Street.

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—**Lewis G. Lyman** has joined the staff of **Goffe & Carkener, Inc.**, Board of Trade Building.

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—**Harry H. Heuler** has become associated with **Prescott, Wright, Snider Company**, 916 Baltimore Avenue. Mr. Heuler was previously with Alexander & Co. and prior thereto was with John J. Seerley & Co.

(Special to The Financial Chronicle)

KINGSTON, N. C.—**Richard T. Hood** has joined the staff of **McDaniel Lewis & Co.**, Jefferson Building, Greensboro, N. C.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—**Harry A. Wiberg** is with **Bayly Brothers**, Roosevelt Building.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—**Harley Campbell** has rejoined the staff of **E. F. Hutton & Company**, 623 South Spring Street. Mr. Campbell was recently with Houchin and Bradford.

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — **F. Davidson-Schmieder** is now with **Sutro & Co.**, Van Nuys Building.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—**Joseph G. Donaldson** has been added to the staff of **Van Denburgh and Bruce, Inc.**, 523 West Sixth Street.

(Special to The Financial Chronicle)

OAKLAND, Calif.—**Harold E. Hacker** has become associated with **Geo. H. Grant & Co.**, Central Bank Building. Mr. Hacker was formerly with Bankamerica Company.

(Special to The Financial Chronicle)

SACRAMENTO, Calif.—**Jacob G. Isenhour**, previously with Bankamerica Company, is now with **Davies & Co.**, Russ Building, San Francisco.

(Special to The Financial Chronicle)

SAINT LOUIS, Mo.—**M. A. Lambert** is now with **Barrett Herrick & Co., Inc.**, 418 Locust Street.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—**Fred C. Blumberg**, formerly with Bankamerica Company, has become associated with **Davies & Co.**, Russ Building.

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Charts Would Appraise D. J. Ind. & RR. Averages

The present technical static market position of industrials and rails are indicated in the American Economics Appraisal Sheets of Dow-Jones Industrial and Railroad averages by means of a newly developed technical trend projection. These trend projections are intended to show for two weeks in advance safe or unsafe position, valid and invalid moves, signs of reversal and safe stops by means of detailed daily, weekly and monthly charts. The July 3rd and 10th issues may be had for $1.00 from American Economic Publications, 537 South Dearborn Street, Chicago, Ill.

Norton Adams Co. Formed

Norton Adams & Co. has been formed with offices at 40 Wall Street, New York City, to engage in a general securities business. Partners of the new firm will be Norton Adams and M. N. Adams. Mr. Adams was formerly manager of the bond department of Clark & Co.

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Controlling shares (approximately 60 percent) in a highly reputable old-established company with plant and head office at Pittsburgh, Pa., manufacturing well known line of trade-mark products, having wide post-war market prospect, can be acquired at substantially less than replacement worth of tangible assets. Plant capacity permits doubling the present yearly sales approaching one million dollars. Real opportunity for anyone prepared to invest approximately $300,000. Owner desires to retire from all business activities. Box E.B.O., The Financial Chronicle, 25 Spruce St., New York 8, N. Y.

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Governors Urge Curb Of Bureaucratic Control; States To Demand Return Of Power

At the concluding session of the annual Governors' Conference in Columbus, Ohio, on June 23 a resolution was adopted declaring that all rights of the States heretofore relinquished to the Federal Government to further the war effort be promptly reclaimed when the war shall have been successfully terminated. The resolution also stated that "no further concessions or encroachments on States' rights should be agreed to, except such as may clearly appear to be necessary to achieve victory."

As a supplement to this resolution, the State chiefs directed their organization's executive committee to draft legislation to remove administrative functions from Washington bureaus and to set up a lobby to support such legislation.

Gov. Herbert B. Maw (Dem., Utah), author of the motion, said the move was aimed primarily at non-political bureaus administering Federal aid programs. He said these agencies handle social security, public roads administration, public works, employment and similar activities.

Mr. Maw said the setting up of a lobby would come after the Executive Committee draws up amendments to statutes regulating activities of Federal bureaus and after the Governors have had an opportunity to express their approval of the amendments.

The Governors adopted another resolution urging the Federal Government "to act immediately to the end that adequate supplies of corn and other feed, so essential to our war effort, are at once provided to livestock and poultry feeders, dairymen, and manufacturers of feed for livestock and poultry."

In another resolution the Governors formally condemned "any strike by any group anywhere in America as affecting essential industries for the duration of this war."

At the same, time the Governors praised labor and management "for the superb cooperation and unparalleled results that have been achieved in the production of material and equipment essential for complete victory."

In the same resolution, the farmers were commended for their "magnificent and sustained effort in the all-important food and feed victory program."

The Governors also adopted a resolution asking the Office of Price Administration to liberalize food rationing restrictions on home-produced vegetables and fruits.

Buffalo, Niagara Power Situation Interesting

The current situation in the cumulative preferred stock of Buffalo, Niagara & Eastern Power Corporation offers attractive possibilties according to an interesting memorandum issued by Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of the memorandum, discussing the outlook in some detail, may be had from Ira Haupt & Co. upon request.

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Railroad Securities

One hears a lot these days about the rapid accumulation of cash by the reorganization roads which are not faced with the necessity of meeting their interest charges and which have not, except in a few isolated cases, been making any significant progress in retiring funded debt. A large part of the speculative interest in the reorganization group during the last six months has been based on consideration of these mounting cash balances. The cash accomplishments of some of the solvent roads, particularly of the marginal class, have been no less phenomenal. Southern Pacific is a particularly noteworthy case in point.

It is not difficult to remember back a little more than four years ago when Southern Pacific came to the end of the 1938 recession year in an apparently precarious financial position. The balance sheet showed cash items of only $21,600,000 against which there were loans and bills payable of $20,000,000. The net working capital amounted to a little less than $4,000,000. The recently released balance sheet figures for April 30, 1943 showed a net working capital of $93,813,774. Moreover, the company has substantial investments in Government bonds which are not included in current assets. At the end of last year these Government holdings stood at $10,000,000 and had apparently been increased to $20,000,000 by the end of April. On this basis, net current worth has increased by $100,000,000 or $110,000,000 since the end of 1938.

The April 30 balance sheet showed cash items of $126,794,780 and receivables of $71,442,747. The major portion of this latter figure is presumably represented by amounts due from the Government for transportation services and as such may obviously be considered the equivalent of cash. The major offsetting liability consists of the U. S. tax liability of just under $79,500,000. Aside from completely rehabilitating its finances, Southern Pacific in the years 1938-1942 spent roundly $117,500,000 on additions and betterments to property and equipment in addition to its normal maintenance work. Finally, during the latter part of this period the management has been engaged in an aggressive debt retirement program. As of the end of 1938 the non-equipment debt exclusive of bonds held within the system stood slightly over $687,000,000 and was increased about $2,000,000 in the following year. While complete figures for retirements and purchases so far in 1943 are not available it is indicated that this debt now stands at slightly under $600,000,000. There is little evidence of a dying industry in this performance.

For many years one of the main clouds overhanging Southern Pacific, and one of the main considerations leading to investor and speculator suspicion, has been the question of very substantial near term maturities. This problem is being resolved rapidly as the debt retirement program has concentrated mainly on the nearer maturities. Of the $622,000,000 of non-equipment debt outstanding as of the end of last year (excluding bonds held in the system and by wholly owned subsidiaries), $215,533,325 was represented by obligations falling due from 1943 through 1951. This now stands no higher than $193,500,000 and is probably considerably below that figure. Without any additional earnings from here on, this near term maturity problem could be cut more than half without straining finances to the extent they were strained at the close of 1938. With prospects of at least another

(Continued on page 7)

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Pennsylvania Brevities

Ice Jam Broken

On June 15, the Third District Circuit Court of Appeals unanimously upheld the Plan of Recapitalization and Merger of the **York Ice Machinery Corp.** In the opinion of company's counsel, the subject matter of the court action, in which an objector questioned the validity of a merger which would eliminate a preferred stock and its arrearages, is not of a nature which the U. S. Supreme Court would consider. Company therefore, in accordance with the plan, has adopted the new name of York Corporation and is taking immediate steps to effect the exchange of securities. The former issue of York Ice Machinery Corp. 7% cumulative preferred, on which arrearages of $105.75 per share existed, is to be eliminated through an exchange into 15 shares of York Corp. common for each share of the old preferred. Former York Ice Machinery Corp. common is to be exchanged share for share into York Corp. common.

The new company begins its corporate existence with a simplified stock capitalization of 962,046 shares of common stock, par $1.00. York Corp. has assumed the outstanding first mortgage 6% bonds of York Ice Machinery Corp. which issue will be refunded at an early date at a substantially lower coupon rate. York's sales and backlog of unfilled orders are at all time high levels. Production is devoted almost entirely to fulfillment of war orders, civilian work being limited to permissible service and replacements. Reconversion after the war presents no serious problem to York since the Company is engaged in manufacturing its own product and the post-war demand for refrigeration and air-conditioning adaptations is considered almost limitless.

Nimble arbitrageurs have had a field day over the last fortnight, buying York Ice Machinery preferred and selling York Corporation common "when issued" against their commitments. At times the "spread" has ranged between 20 and 30 points. Many dealers feel that York Corp. common under $10 per share possesses substantial speculative appeal.

Confusion in U.G.I.

If the Board of Directors of **United Gas Improvement Company** and the Committee on Rules of the New York Stock Exchange had deliberately collaborated in an effort to obfuscate stockholders and brokers, they couldn't have turned out a more finished piece of work.

There was nothing particularly involved or complex in U.G.I.'s Plan for Divestment of Assets, which was approved by the SEC in March and subsequently ratified by directors and stockholders. The initial distributions on U.G.I. common were to consist of fractions of Philadelphia Electric Company common and Public Service Corp. of New Jersey. The distribution per share were clearly stated and it was perfectly logical that "when issued" markets developed not only for the Philadelphia Electric and Public Service "when received," but also for U.G.I. common "ex distributions." For the last three months, the latter have been extensively dealt in as U.G.I. "Residuals" or "Stubs."

On Friday, June 11, the Board of Directors of U.G.I. designated the following Tuesday, June 15, as the record date for the distribution which were covered by the Plan, stating that owing to mechanical difficulties and shortage of personnel the physical distribution of the Philadelphia Electric and Public Service might not be accomplished before the middle of August.

The Philadelphia Stock Exchange, seeing nothing unusual in the situation, ruled that, starting Monday June 14, U.G.I. would be traded "ex distributions." For some obscure reason, the New York Stock Exchange decided to trade the stock both ways, i.e., "ex distributions"(selling around 2¼) and "with due bills" (selling around 9). Thus U.G.I. sommon, properly designated of course, sold at two prices on the New York Stock Exchange. Then followed a brain-twisting ukase stipulating that a seller of U.G.I., with a due bill, be paid only the "ex distribution" price, the balance to be held back pending delivery of the distributions. Moreover, the seller was to be held subject to margin calls should the market change adversely before final settlement. Confusion was worse confounded and particularly out of luck was a bona fide seller of U.G.I., with stock registered in his own name, who wished to dispose of his shares for cash or for reinvestment in other securities. Many stock Exchange members merely looked sheepish and offered to pay off with a receipt.

Yarnall Offers Philadelphia Elec. $1 Preference

Less complicated, however, and more in the normal course of business was a recent offering by Yarnall & Co. of a block of the new **Philadelphia Electric Co.** $1 dividend preference common stock at $25.75 per share to yield 3.88%. Source was from distribution to former holders of United Gas Improvement $5 preferred. Earnings for 1942 applicable to the 2,369,076 shares of $1 dividend preference common were $6.05 per share. This issue is entitled to a preferential dividend of $1 over the common and may be converted into common on a share for share basis for three years and at a gradually reduced basis during each three-year period thereafter until the conversion privilege expires 12 years after issuance. The stock is tax free in Pennsylvania. The offering received excellent investment demand.

5 O'clock Trading Post

Frazzled by a two-weeks' unbroken heat spell, Walnut Street traders are availing themselves of the air-condition facilities for closing the day's business offered by a well-known Philadelphia restaurateur. After-hour trading starts briskly with any two first arrivals and continues in volume until the "market" closes promptly at 10 p. m. Contracts are oral and, for the most part, genuine. A few moments' "renegotiation" by telephone the following morning clears up any uncertainties. Seen at the "Board" last week were representatives of W. H. Bell & Co., Boenning & Co., Buckley Brothers, H. M. Byllesby & Co., Dolphin & Co., F. J. Morrissey, H. N. Nash, Rambo, Keen, Close & Kerner, Reynolds & Co., E. H. Rollins & Sons and Suplee, Yeatman & Co.

Philco in Radar

Present indications are that Philco Corp.'s production of war materials will increase further in coming months as engineering work is completed on additional new equipment, Larry E. Gubb, chairman of the board, informed stockholders in a letter accompanying June dividend checks. "Philco has recently been given permission for the first time to annonuce it is one of the few leading suppliers of radar equipment, great secret

(Continued on page 7)

Pennsylvania Municipals

The public acceptance of the current offering of $1,500,000 Allegheny County 1¼s, due serially 1944 to 1973, is indicative of the continued strength of the Pennsylvania Municipal market. This account has fared exceedingly well in view of the new price level this offering afforded Allegheny County bonds.

Another interesting sale of recent date was the $1,000,000 City of Pittsburgh 1¼s, one to twenty-year serial bonds bought by the Union Trust Company of Pittsburgh. There has been, up to the present at least, no re-offering of these bonds and it might readily have been a purchase entirely for "trust account consumption." At any rate, this transaction, in addition to the Allegheny County sale, makes more obvious the fact that a decided scarcity prevails in the local markets.

Philadelphia issues continue to show strength and there are several sizeable blocks of 3⅛s and 3¼s currently offered at prices a little in advance of those of a week or ten days ago. Activity in Phillies has been confined chiefly to switches for Governments both ways. Other than the three so-termed general market names, i. e., Philadelphia, Pittsburgh and Allegheny County, the market has not been able to show sizeable and interesting offerings of other Pennsylvania credits.

Current discussion centers around the anticipated Delaware River Bridge Commission (Camden-Philadelphia Bridge) Refunding, which business may come along in the near future. The contemplated set-up will be a 30-year term bond, issued in the amount of approximately $37,000,000 and the bonds will have a premium call feature exercisable a few years from the date of issue.

There are about $31,000,000 or $32,000,000 of the 4¼s outstanding which are callable at 105, hence the expected increase of $5,000,000 to $6,000,000 of new bonds. This will be done in order that the current reserves of around $6,000,000 will not be disturbed. This new issue should provide sufficient activity and added interest in the Pennsylvania market.

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Investment Banking Industry Will Have Vast Financing Responsibilities Ater The War

(Continued from page 2)

& Trust Co., St. Louis; Donald I. McLeod, McLeod, Young, Weir & Co., Toronto; Maynard H. Murch, Maynard H. Murch & Co., Cleveland; Leonard D. Newborg, Hallgarten & Co., New York; George T. Purves, Graham, Parsons & Co., New York; Walter A. Schmidt, Schmidt, Poole & Co., Philadelphia; Wickliffe Shreve, Lehman Brothers, New York; Robert M. Williams, Murphey, Favre & Co., Spokane.

To illustrate the types of corporate activities that will require much new capital, the Committee listed the following:

"1. The purchase in whole or in part of the plant facilities built by the Government;

"2. Retooling and replacing worn-out machinery with new up-to-date machines;

"3. New construction for the manufacturing of new products perfected during the war and for new plant additions to handle prospective enormous consumer demands for standard products;

"4. Building up inventories which will either be very low or in some cases non-existent;

"5. Development work in creating new markets both at home and particularly abroad;

"6. Building up of balance sheet positions of industrial corporations which in many cases have been seriously disturbed by the effects of the war and the high taxation rate which has made impossible the building up of sufficient cash reserves to take care of the after-the-war conversion period."

Industrial corporations will be in a highly favorable position to raise new capital, the Committee stated, referring to the extent to which they reduced indebtedness during the last ten years prior to the war as a strong factor on the favorable side. Industry needs the Government's aid, however, in order to plan for the reconstruction period, the Committee added. Government can shorten the period of readjustment, it said, by establishing the following definite principles:

"1. It should promptly pledge itself not to operate its Defense Plant Corporation in competition with business;

"2. It should agree to lease or sell its war plants to private companies under such reasonable terms and conditions as may be feasible at the time;

"3. It should adopt such a policy in connection with war contract cancellations that industry will not be thrown into disorder."

Taxes were given as another vital factor in the ability of corporations to reconvert expeditiously. The Committee stated that 817 companies in 93 different industries reported for 1942 a total net income of $2,245,000,000, a 15% decline from the 1941 figure of $2,624,000,000. This result reflected higher taxes and costs despite larger gross earnings in most cases, according to the Committee, which said that net earnings will probably be even lower in 1943 on the same account. The Committee added:

"Probably in the after-the-war period taxes will still prevent corporations from making much money on the terrific volume of business they will have, but sufficient tax leeway may be given industries to permit them to support the new securities which must be sold to finance the new capital required."

Investment banking must also have a clear-cut indication of how much Government is going to intrude in the post-war financing of industry before it can make definite plans for the raising of the large amounts of new capital, the Committee said.

Indicating the extent to which Government is furnishing the huge sums of money needed by industry during the war, the report stated that the RFC subsidiary, the Defense Plant Corporation, now owns 1,479 plants, costing $7,000,000,000 to build and equip, and that other plants built by the War and Navy Departments and the Maritime Commission amounted to several additional billions. This was contrasted with an estimated present depreciated book-value of $34,500,000,000 for the nation's entire manufacturing facilities, showing that the Government owns more than one-quarter of all plants in value. It was also pointed out that its properties are considered to be the very latest in design and the most modernly equipped.

The Committee noted that the refinancing of these plants on a private basis, and the refinancing of Government-guaranteed obligations, such as the so-called "V" loans, will be a "terrific task" and will call for the most expert planning, if a serious dislocation of our economic structure is to be avoided. It expressed optimism, however, that "the splendid results achieved by industry in producing weapons needed by the armed forces will serve as an object lesson for the future preservation of our free economic system. Under such a system there is no doubt that the enormous after-the-war financing effort could be handled by the investment banking industry. We have the proper machinery geared and ready for all demands which may be made upon us," it said.

Railroad Securities

(Continued from page 5)

year to a year and a half of high earnings, even though they may be cut below the recent annual level of more than $90,000,000 net after charges and taxes, there appears little cause for apprehension over these maturities now.

Debt retirement also naturally brings with it a reduction in fixed charges and it is reasonable to expect that Southern Pacific will emerge from the present boom phase with charges reduced to around $22,500,000. This would absorb only about 10% of normal gross (1938-1940 average considered as the reasonable normal) and would compare with charges of $31,688,000 supported in the depression of the 30s. This ratio in itself would be reasonably conservative without consideration of the substantial annual non-operating income. It is indicated that non-operating income may be stabilized normally around $8,000,000, which would cover more than a third of prospective fixed charges.

The final consideration in the Southern Pacific situation is the secular expansion in the territory served, and the consequent opening up of new traffic sources. This trend was evident in the considerably better-than-average population trends in most of the states served and in the industrialization of the service area, particularly the coastal area, even before the war period. This industrialization has been further stimulated by war needs and it is generally accepted that many of the new plants, particularly aircraft and steel, will remain as permanent accretions to the economy of the area and of Southern Pacific which occupies a dominant position in California railroad transportation. With this background, many rail men have been adopting a much more constructive attitude towards the stock and junior bonds of the system. These securities have not reflected the improvement and prospects to as great extent as have the road's senior bonds.

Colfer Trading Mgr. For Rufus Waples Co.

PHILADELPHIA, PA. — Laurence J. Colfer has become associated with Rufus Waples & Co., 1510 Chestnut Street, as manager of the trading department. Mr. Colfer was formerly in the trading department of the Philadelphia office of R. H. Johnson & Co. and prior thereto was with Jenks, Kirkland & Co., Fitch Crossman & Henry, Inc., and McMillan, Rapp & Co.

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Pennsylvania Brevities

(Continued from page 6)

weapon of the war, to both Army and Navy," Gubb stated.

A $10,000,000 Needle

Leo T. Crowley, president of **Standard Gas & Electric Co.,** which has a recapitalization plan undergoing hearings before the SEC in Philadelphia, denied knowledge last week of $10,000,000 "hidden assets" which a stockholder said were owned by Pittsburgh Railways Company. It was pointed out that the ownership, though indirect, was real. The cash, in the amount mentioned, is held by the trustees of the Railways Company; the Railways Company is owned by the Philadelphia Company, a direct subsidiary of Standard Gas. Yet the recap plan of Standard gives no consideration to the net asset value, if any, of Pittsburgh Railways. True enough, the traction lines were a liability and a headache for many years, but under war-time transportation demands, have developed into the Little Lord Fauntleroy of the family.

Crowley asserted that if such a reserve is in existence, the law would require that it be administered by the Railways Company trustees. Moreover, Crowley said, Standard Gas & Electric common stock is "so far under water" that it would be valueless even if an additional $10,000,000 were available.

Kellett Autogiro Corp. has reassumed the name Kellett Aircraft Corp., which was the original name when the company was formed in 1929. A special meeting of stockholders held in Philadelphia approved the change. The helicopter and the autogiro are first cousins, but not twins, and it may be presumed that Kellett is getting into step with later developments.

Jacobs Aircraft Engine Co., Pottstown, Pa., announces its production of aircraft engines and spare parts in May exceeded any previous month in the company's history.

Philadelphia bank stocks turned downward in week ended June 25, when aggregate market value of 10 stocks comprising H. N. Nash & Co. index was $174,585,000 and yielded 4.89% compared with $176,880,000 and yield of 4.82% in the previous week. Decrease in market value was 1.30%.

Inflation Ahead?

Recommended reading: "Fiat Money Inflation in France," by Dr. Andrew Dickson White. First edition prepared in 1876. Subsequently revised and edited. Now published by D. Appleton-Century Co. Excerpt from foreword:

"The story of 'Fiat Money Inflation in France' is one of great interest to legislators, to economic students and to all business and thinking men. It records the most gigantic attempt ever made in history by a government to create an inconvertible paper currency and to maintain its circulation at various levels of value. It also records what is perhaps the greatest of all governmental efforts to enact and enforce a legal limit of commodity prices. . . . There are limitations to the powers of governments and of peoples that inhere in the constitution of things, and that neither despotisms nor democracies can overcome. . . . The story is full of instruction for all men who think upon the problems of our own time."

Highlight:

	1790	1795
Bushel of flour	40¢	$45.00
Bushel of oats	18¢	10.00
Cartload of wood	$4	100.00
Bushel of coal	7¢	2.00
Pound of sugar	18¢	12.50
Pound of soap	18¢	8.00
Pound of candles	18¢	8.00
One cabbage	8¢	5.50
Pair of shoes	$1	40.00
25 eggs	24¢	5.00

Within the following year:

Pound of bread	$9.00
Bushel of potatoes	40.00
Pound of candles	40.00
Cartload of wood	300.00

Clothing Stock Looks Good

An interesting descriptive circular on Fashion Park, Inc., which the firm believes offers attractive possibilities, has been prepared for distribution by Simons, Linburn & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from Simons, Linburn & Co. upon request.

R. Cornell Co. In Boston

BOSTON, MASS.—Richard W. Cornell and Charles S. Jeffrey have formed R. W. Cornell & Company with offices at 79 Milk Street to conduct a securities business. Partners in the new firm were both formerly associated with Pearson, Erhard & Co., Inc. for many years.

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Investment Trusts

Someday we're going to tabulate, analyze and report the results of our observations regarding the relationship of **sales literature to sales** in the investment company field. Preliminary work in this direction reveals nothing startling—but it does underscore certain broad fundamentals which sponsors on occasion seem to forget.

Incidentally, those "fundamentals" which apply to the individual sales piece are expertly embodied in a new folder addressed to dealers by Hugh W. Long & Co. "To Help You Sell Fundamental Investors, Inc." is the title and the material includes a complete mailing and follow-up campaign with simple, sales-tested instructions designed to help the dealer get maximum results.

* * *

"Cats and Dogs" are the subject of an interesting discussion in the latest issue of Calvin Bullock's **Bulletin.** We quote:

"In the period of rising stock prices that has existed since April 1942, many stocks which may have been classified in the mind of the public as 'Cats and Dogs' have happily surprised their owners by recording some astonishing, and perhaps unjustifiable, increases in market value. Who owns these stocks, and what are they going to do about the available profits?

"To be sure, many of the stocks referred to are among those mostly favored by so-called speculators, but it is not likely that a large number of investors across the country have also been enjoying the rise in these stocks?

"With an eye to the best interests of such investors, — and it is to be hoped there are many of them,—let us take a look at the market from the standpoint of recognized investment and market analysts. The consensus of their opinion is that while, under existing conditions, the long-term trend of the market is definitely upward, the bull market of the past year has particularly featured the spectacular rise of low priced and in many instances intrinsically worthless stocks, and also that the character of trading in the past few weeks seems to indicate that the honeymoon of the 'Cat and the Dog' is nearly over.

"Overstaying the market is one of the most distressing errors of judgment: a profit is never a profit until it is realized. Is it not prudent, then, to recommend earnestly to all those who are interested in conserving their capital that they take their profits in the low-grade field forthwith and re-invest with a view to consolidating their gains, remaining in the market, and enjoying the income which well-invested capital produces?"

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Keystone's **Keynotes** asks, "Is the stock market high?" and answers the question with a long-term chart of the averages. Conclusion:

"In the course of the past 45 years, there have been eight opportunities to buy stocks at or near the bottom of their buying range—about once in five years. Each time the average has reached this bottom band, a major advance carrying it well into the top band, or selling range, has ensued.

"45 years of precedent indicate that selected common stocks have reached only the top edge of the buying range. In other words, in the over-all swing from indicated buying range to indicated selling range, the Average is still in the bottom 20%, despite the rise since April, 1942."

* * *

The volume of investment company literature dropped off somewhat this week. Could it be the time of the year, the recent hesitancy in the market, or the heat wave along the Atlantic Seaboard?

Dividends

Manhattan Bond Fund, Inc. — Ordinary distribution No. 20, amounting to 11c per share, and an extraordinary distribution amounting to 7c per share payable July 15 to stock of record July 6, 1943.

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Baltimore Exchange Head Urges Elimination Of Restrictions On Exchange Trading Priviliges

(Continued from page 2)

on a national securities exchange (stock exchange) are those which are fully registered with the SEC, a few exempted securities and those having unlisted trading privileges on these exchanges, all of which make up only a small percentage of the securities marketed today.

"These small exchanges, prior to the inception of the SEC, supported the securities of small local companies and helped innumerable such companies to develop and become well established in the financial world, while today such companies cannot afford to become involved in the burdensome requirements of the SEC.

"I am in agreement that reasonable regulation is desirable, but cannot understand a condition that permits the above situation to exist.

"Why should the stock exchanges be penalized while the over-the-counter market is permitted to trade in all unlisted securities and also those listed on the exchanges? We have no argument with the over-the-counter market—we merely ask that such rank discrimination be eliminated.

"Your decision, when these matters come before you, will result in one of two things:

"1. The closing of all small exchanges—the only securities markets where records of all purchases and sales are kept for all time and are available to anyone.

"2. Unless appropriate action is taken permitting all regional exchanges to trade in any and all securities, whether listed or unlisted, on these exchanges which afford the ONLY market of record with proper supervision for the protection of the public, it is quite apparent that these small exchanges will be forced to discontinue operations and the entire securities business of the country will become concentrated in the large financial centers.

"I ask that you acquaint yourself with this situation in the interest of your public.

"The best illustration of what is happening through the enforcement of the provisions of these Acts is our own situation, i.e.:

"On Jan. 1, 1933, there were listed on the Baltimore Stock Exchange 134 issues of stocks and 116 issues of bonds, while at this time there are 49 issues of stocks and 24 issues of bonds."

To Study Post-War Transport'n Prospects

(Continued from page 3)

$400,000,000 was retired last year, exclusive of any reductions through reorganizations, and a substantially greater amount will be retired this year. Many of the so-called borderline railroads have cut down their interest charges to a level that would have been covered in most of the recent depreciation years."

This result in itself would not enable the roads to raise capital in a sound manner, according to the Committee, which said: "Equity money must be attracted and it cannot be attracted unless there is sufficient earnings for dividends and then only after a record of dividend payments has been established."

Large public financing is anticipated in connection with a great expansion in aviation after the war. There is no question in the Committee's mind about the investment bankers' ability to raise all the capital aviation will need, however. The Committee likewise said:

"Present market prices of the stocks of the airlines indicated the optimistic attitude of investors toward their future. New issues of securities, particularly of equities, can probably be quickly sold, but the big question is how much new capital will be needed during the first years following the war and how much will Government want to supply."

As to the amounts of new capital, it was "conservatively" estimated that $300,000,000 would be needed within three years after the close of the war for equipment on existing domestic lines without any allowance for expansions or extension into foreign fields. Other estimates cited indicate a total of $1,500,000,000 for new equipment for domestic airlines during the first ten-year period following the war. The Committee, giving these estimates out as indicative forecasts, promised to go more thoroughly into the prospects for aviation expansion and financing in a further report to be submitted at the Association's annual meeting to be held in November.

Chairman of the Committee is John S. Loomis of the Illinois Company of Chicago. Other members are: Ewing T. Boles, The Ohio Company, Columbus; F. J. Campbell, Wells, Fargo Bank & Union Trust Co., San Francisco; Pierpont V. Davis, Harriman, Ripley & Co., New York; Fairman R. Dick, Dick & Merle-Smith, New York; Allen N. Jones, Morgan, Stanley & Co., New York; Robert G. Rowe, Stroud & Co., Philadelphia; Percy M. Stewart, Kuhn, Loeb & Co., New York, and Henry S. Sturgis, First National Bank of the City of New York.

Rationing And Price Fixing

(Continued from page 4)

plies are needed for the armed forces. When they are taken care of little remains for civilians. Without rationing, the well-to-do would rush to buy more than they needed, leaving little for others. Under rationing, however, everyone is given the same opportunity to obtain shoes. This is the democratic way.

Some people, however, refuse to abide by the rules. Others take advantage of this fact to operate black markets. These make scarcities worse and create new scarcities where none existed before. An example is the meat situation. Supplies are cut down, thus hurting soldiers and honest civilians. Livestock, often slaughtered under unsanitary conditions, may be unhealthy. Our soldiers are deprived of such medical supplies as surgical sutures, adrenalin and insulin; also gelatin, hides and fats. If everyone would cooperate, none would lose out.

Economics and Prices in Peace-Time

Before defending price-fixing, I wish to discuss some economic rules connected with prices, production and inflation. I say "rules," but there are so many modifying factors that they do not always work out. Under normal economic conditions production and the amount of money in circulation are kept in balance through prices. If there is an increase in money because of higher wages or greater employment there will be more money than products. People will bid for these products and this will cause prices to rise. If this continues, there is inflation.

In normal times, however, these higher prices will cause increased production because of the greater opportunity for profits. As more products appear on the market, prices decline. Production and prices will continue at an even level until something occurs to throw them out of balance. It can be seen that one way to head off inflation is to let production rise with prices.

War and Inflation

Wartimes are not normal, and economic rules are modified. Production for civilian consumers is secondary to military needs. Many lines are cut out altogether. For instance, automobiles, radios and refrigerators have not been manufactured since our entry into the war. Payrolls, however, are much larger and there is more money than ever in circulation.

As previously explained, when money increases, prices, then production, should rise, followed by a fall in prices back to normal. But today civilian production is strictly regulated as to quantity and type and cannot be allowed to rise with prices. **Therefore people bid for what products there are, prices go up, and inflation sets in, notwithstanding rationing.**

Price-Fixing Is the Answer

Inflation discriminates against those whose incomes have not kept pace with rising prices. **It is a major cause of the post-war crashes.** During the last war the then administration let prices take their course. Sugar prices, for example, rose to some five times above normal. Peace came, prices fell, and sugar holders had to take losses. This was especially bad in instances where sugar was purchased on borrowed money. The loans could not be repaid and banks were weakened and many even failed.

By fixing prices the evils of inflation may be avoided and the inevitable post-war crash can be delayed and made less harmful. Both price-fixing and rationing are fair and necessary for the years of war and can help to avert the depressions which have always followed war. Therefore it is important that everyone cooperate in obeying the rules of rationing and price-fixing.

Urges Regulation Of Labor Unions

(Continued from page 3)

result today is that there is a distinct danger that a very severe public reaction may set in at any time. Such reaction, characterized by severe regulatory legislation, would be as bad for the long-term program of labor as is the present unbridled opportunism practiced by unions and union organizers.

"Surely, Congress and the Adminstration will not temporize any longer. Today it is absolutely essential that nothing—not labor, or capital, or anything else—be permitted to interrupt the increasing flow of war materials, food and supplies to our fighting men all over the globe. Tomorrow, it will be equally essential that nothing—least of all unsolved labor problems—be permitted to restrict the rapid conversion of our industrial and business facilities to a prosperous peace-time economy under the American system of free enterprise."

"The labor program outlined may look extreme and severe," Mr. Emery averred, but in defense of it he said:

"It actually takes nothing from labor organizations which now rightfully belongs to them. Neither does the program impose any restrictions or limitations which might be detrimental to the best interests of the country as a whole. In the long run, whatever is best for the country at large will be found to be best for organized labor, too.

"This, in the final analysis, is the test upon which all matters of national policy should be founded."

Basis For Permanent Peace And Methods Of Preventing Aggression Subject Of Forum

Dr. Shotwell, Senator Taft and J. F. Dulles Discuss Plans For International Collaboration

The view that "there is a growing recognition that we cannot enjoy lasting peace without assuming responsibility for its maintenance and enforcement" was expressed by Dr. James T. Shotwell at a forum in Washington last month devoted to the discussion of measures to effect a permanent peace which was broadcast on a network of the National Broadcasting Company. Senator Robert A. Taft (Republican) of Ohio, who was also one of those presenting his views, stated it as his belief that "we should devote our immediate attention to the terribly complicated problem of the immediate post-war period," and he noted that "the question of a permanent organization of the world to prevent aggression in the future is already producing wide differences of opinion in this country." He styled "an international superstate with an international police force" as "fantastic," adding that "the state would fall apart in a few years, and leave more chaos than if it had never begun." "I believe myself," said Senator Taft, "that any plan must be based on the retention of sovereignity by every nation, with covenants between them to join in preventing international aggression." "I believe," he continued, "that our people must commit themselves to use military force under certain conditions where aggression has been found by an international body to exist."

John Foster Dulles, of Sullivan & Cromwell, and Chairman of the Commission to Study the Basis of a Just and Durable Peace of the Federal Council of Churches of Christ in America, observed that his Commission has outlined "a future of international collaboration in six vital areas," styled the "Six Pillars of Peace." Mr. Dulles offered an explanation as to "how these proposals would operate" and stated that "finally we want an international bill of rights to assure people everywhere, without regard to race or class, the basic intellectual and spiritual freedoms." "Here again," he said, "we are dealing with something which used to be considered of purely domestic concern, which we now see is really of universal concern. For whenever anywhere a government regiments the intellectual and spiritual life of its people, then there is a threat to the moral foundation of peace." Among other things, Mr. Dulles said, "we would organize a new way of dealing with important economic and financial matters," "we propose to have an international organization to deal with the colonial problem," "we would have an international organization to control armament," etc.

Dr. Shotwell, who is Chairman of the Commission to Study the Organization of Peace, stated that "the Commission believes that a beginning must be made in the organization of peace while the war is being waged" and the recommendation was made that a conference or Council of the United Nations be created to consult on ways and means for bringing it about.

Dr. Shotwell's Views

In full Dr. Shotwell's remarks follow:

"On January first, 1942, twenty-six United Nations, now 32, signed an agreement to fight together until victory had been achieved. These United Nations represent 80% of the population of the world and the major part of its resources. If they were to declare that their fraternity of sacrifice for victory were to be continued in the peace and if this were implemented by a world organization, there would be no more world wars.

James T. Shotwell

"The Commission to Study the Organization of Peace stands squarely for one great principle, namely, that there must be international organization instead of anarchy if civilization is to endure. In recent months this principle has been given nation-wide acceptance. There is a growing recognition that we cannot enjoy lasting peace without assuming responsibility for its maintenance and enforcement.

"There could be no finer manifestation of the processes of democracy than the discussion of these vital issues which is now going on among the people of this country and in Congress itself.

"The Commission believes that a beginning must be made in the organization of peace while the war is being waged. We recommend that a conference or council of the United Nations be created as quickly as possible, to consult together on the ways and means for bringing it about.

"It is too much to expect that all men everywhere in the world will suddenly renounce the age-old method of resort to war under some kind of religious conversion to a higher moral code. But we have a right to expect that nations which have established the institions of peace within their own borders will be able to find a way to establish it in their relations with their neighbors.

"The task is not easy. It was not easy to achieve domestic peace, and it is sometimes violated. Yet we have all come to see that law and order and the administration of justice are a basis of the state.

"Now the same kind of political evolution which has safeguarded our liberty at home must be applied to the problems of world affairs and our relation to them. This does not mean that we transfer our allegiance from the United States to a world government. Any such step is unthinkable. It does mean, however, that our government must strengthen its place in the world by securing a less haphazard way of dealing with other nations.

"First of all we must make provision against militaristic nations by adequate defense and this means continued cooperation with peace-loving nations. It will also mean that we must keep our powder dry for some time to come.

"But that is only a beginning. The basis of permanent security will have to be found in disarmament, with inspection to make sure that it is carried out, and provision for policing to prevent the outbreak of war, rather than to suppress it after it has begun. Like your town and mine, the United Nations will need organization for safety and welfare.

"It is unthinkable that we will again supply the munitions of war to nations preparing to attack, as we did before Pearl Harbor. The United Nations control about 90% of the resources of the world needed for war; they should deny their resources, their trade and the benefits of international life to any gangster nation.

"But any such provision may never need to be invoked if the gangsters are disarmed. Universal disarmament cannot come at once. We must first be sure that we are safe from the enemies of today. But after the war is over, and the resulting anarchy suppressed, we can go on where the Geneva Disarmament Conference left off. They had practically agreed to a 70% reduction in 1933, and even Germany was then for the abolition of submarines. No wonder Hitler attacked the organization of peace when it was just planning to be effective!

"But it is not enough to control the machinery of war. The World Depression taught us that our prosperity depends upon a prosperous world. We must therefore organize for social and economic welfare. It was in this field that the League of Nations justified itself more than in any other.

"We must make its initial successes permanent. Already we

(Continued on page 15)

Canadian Business Volume Still High

In its June 23 "Business Summary," the Bank of Montreal reports that with the end of the first half year close at hand, Canadian business is running at the high speed recorded in the first four months when the volume was substantially larger than in the corresponding period of last year.

The bank's monthly review added:

"The national income, moving upward almost uninterruptedly since 1938, was close to $736,000,000 in April, indicating an annual rate of approximately $8,800,000,000. A tentative estimate of $2,850,000,000 for the first four months of the year represented a gain of 24% over the first four months of 1942, reflecting greater economic activity and somewhat higher commodity prices. The gain in the cost of living in this period was only 1.3% but there was a further fractional gain in May in consequence of higher food prices, rents and miscellaneous items. Wholesale prices also advanced in May and Canadian farm products prices reached a new peak in that month at an official index figure of 94.5, closing at 94.4 as compared with the previous thirteen-year maximum of 92.5 in July, 1937.

"Industrial employment as a whole suffered a moderate curtailment at the beginning of April, following a trend established in 18 of the 22 previously recorded years. The decline, however, was less than average and was confined largely to logging and construction, the numbers released by the reporting firms in these industries being 12,700 and 4,900 respectively. There was less activity in mining but more in the remaining industrial groups, with manufacturing, transportation and trade showing the greatest gains.

"In the general crop situation weather conditions have been a disturbing factor. Heavy rains, coupled with low temperatures in some areas, have held back work in the fields and the growth of plants already seeded. Seeding operations are far from complete in Ontario and Quebec and, to a lesser extent, in the Maritime Provinces, while the western provinces have suffered from an insufficiency of warm weather. Growth is very backward as compared with other years, although in most parts of the Prairie Provinces crops are described as all well rooted."

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Canadian Securities

By BRUCE WILLIAMS

The Canadian economy continues to expand at an amazing rate. Last week at Oshawa, Ontario, the Canadian automotive industry celebrated the completion of its 500,000th unit of motorized army equipment.

The Government-sponsored Polymer Corporation, it was announced recently in the House of Commons, will commence in the fall to produce an estimated annual production of 34,000 long tons of Buna and 7,000 long tons of Butyl rubber, which will satisfy all Canada's wartime requirements. A hitherto ignored and almost limitless source of commercial alcohol has just commenced to be tapped by the Thorold mill of the Ontario Paper Co. It is produced from the ordinarily waste sulphite liquor, a by-product of the pulp and paper industry, and is potentially a vast source of synthetic rubber and plastics.

Under-Secretary of War Patterson disclosed last week that a military project in the Canadian North West Territories had just been completed, and had resulted in the development of the Fort Norman oil fields and the construction of pipe lines which will supply the needs of the Army and Navy in Alaska and along the Alaska Military Highway.

It is increasingly evident that Canada after the war will continue her dynamic expansion and it is natural that the capital requirements of the Dominion will largely be financed in this country. Our financial interests therefore should follow closely and study attentively the significant developments that are taking place north of the border.

During the past week, the Canadian securities market has seen increased activity with further advances in many sections. British Columbia bonds were in keen demand; market supplies and a few offerings from Canada were readily absorbed. The 5s of 1954 changed hands at 111⅜ and all maturities brought higher prices. City of Toronto issues were active and reached new high levels with the 10-year bonds breaking through a yield of 3%.

Direct Dominions made some recovery after their recent recession and Canadian Nationals were firm with little available supply. There was an increased turnover in Manitobas, but following their rapid advance, there is a tendency now to mark time pricewise. Likewise, Ontarios and Quebecs remain stationary around a 2.90% yield basis for the longer maturities.

An extraordinary volume of long-term New Brunswicks, the residue of a large offering from Canada, traded during the week. It is now likely that a long overdue appreciation in these securities will soon take place. The recent announcement of an offering in Canada by this province of $2,500,000 12-year 3s, or alternatively 15-year 3¼s, will undoubtedly assist this movement. In comparison, the current yield in our market of over 4% for the U. S. dollar bonds is remarkable.

This week the Canadian National Railway July, 1969, bonds have their call date falling within one year. At 107⅞ the yield, based on the call price of 105, is still over 2% to call date. Since, if by some remote chance the bonds are not called, they will become immediately more valuable, it is expected that this issue will soon become a center of interest.

Renewed active demand for internal Dominions caused the appreciation of the Canadian dollar in the free exchange market to 9¾ discount. It will be interesting to see whether the demand will continue to a point where the supply of exchange resulting from the July dividend checks will be exhausted, and the Canadian Foreign Exchange Control Board will be obliged for the first time to supply the market at its selling price of 9.09.

That Canada leads the world in organizing the fight against inflation receives confirmation in the recent survey of the Brookings Institution of Washington, D. C. After a study of British anti-inflation measures, it was stated that there was no body in Great Britain comparable to the Canadian Wartime Prices and Trade Board, and it was further suggested that this organization might well serve this country as a pattern for use in fighting the menace of inflation.

Paraguay Head Honored

President Higinio Morinigo of Paraguay was given an official welcome of the City of New York at City Hall on June 21 with Mayor F. H. LaGuardia and a reception committee of distinguished citizens greeting him.

In extending the welcome the Mayor said that "today we present to the whole world a full and complete understanding of our unity, embracing every country of North, Central and South America." The Mayor added:

"With that unity I am pretty sure that the enemies of the democracies, the dictators who had their greedy and brutal eyes on exploitation of our continent, on our hemisphere, have understood by this time that we will not only establish order in Europe and the Far East, not only destroy those cruel dictatorships, not only help people of Europe and the Far East in gaining perpetual and permanent peace and security, but that no nations of the world will ever even dream of setting foot or acquiring any territory or will have the hope of expoitation of any part of North, Central and South America."

President Morinigo, who is visiting the United States at the invitation of President Roosevelt, arrived in New York on June 17 after a tour of war-production centers. An honorary degree of Doctor of Laws was conferred on the Paraguayan chief executive by Fordham University on June 19.

His visit in Washington was noted in these columns June 17, page 2299.

Large Part Of Nation's Population Faced With Disaster From Rising Tide Of Inflation

A report, of a survey of consumers in all parts of the country and at different income levels, made public on June 26 at a meeting of the organization in the New School for Social Research, shows that a large section of the nation's population is faced with "actual disaster" from the rising tide of inflation, said the New York "Times" of June 27, which gave further details of the report as follows:

The survey, based on an analysis of 10,000 questionnaires, disclosed that 50% of the middle and upper income families answering the questionnaire had received increased incomes since the outbreak of the war. Among low-income families, however, only 28% had obtained rises.

"A majority of the questionnaires," the report said, "were received from families having incomes over $2,000 a year, and the replies indicate that many of these families are having serious financial difficulties. But the returns from families with incomes under this level give striking evidence that a large section of the population is faced with actual disaster from the rising tide of inflation.

"To meet the skyrocketing prices of food and other necessities, 5% of the families below $1,500 state that they are borrowing, 15% are drawing on savings, 35% are saving less than they did, 55% are buying less, 68% are cutting down on amusements, trips, etc., and 67% are buying more carefully than they did formerly. In most cases, the questionnaires indicate that a combination of several of these means of meeting higher costs are being used."

Of the 50.4% of those answering the questionnaire who have higher incomes, 67% are doing more careful buying, 65% are cutting down on amusements, 44.6% are buying less food and clothing, 42.2% are saving less, 11.4% are drawing on savings and 2.8% are borrowing to pay their larger bills.

Dr. Robert S. Goodhart, chief of the nutrition in industry division of the Food Distribution Administration, told the meeting that the present ration allowances of meat, cheese and fats and processed foods were sufficient to meet dietary requirements. He predicted that there would be enough of the foods needed by citizens here, although there might not be enough of all the foods desired.

The meeting adopted a resolution advocating an excise tax upon all advertising of consumer goods. It elected the following directors: Gerald Wendt, Paul Kern, Madeline Ross, Leland Gordon, Edward Reich and Mrs. Sherwood Anderson.

In the evening session representatives of the OPA and educators discussed the work of the Government agency. Dr. Hartley W. Cross, Professor of Economics at Springfield College, Mass., urged over-all control for a successful price control operation and the granting of subsidies to strengthen such a policy. Dr. Leland F. Gordon, Professor of Economics at Denison University, Ohio, also advocated the use of subsidies and charged that "the imminent breakdown of price control is the responsibility of Congress."

Two OPA representatives, Ormsbee W. Robinson, Educational Services Officer, and Dickson Reck of the Standards Division, commented upon agency activities.

Kaiser Unveils Model Of $400 Post-War Car

Henry J. Kaiser, according to Detroit dispatches of June 25, plans a $400 post-war automobile, and announced that he would market it in every gasoline station in the country.

According to the dispatches, Mr. Kaiser unveiled a prototype of the car and predicted that 10,000,000 people in this country could pay cash for a $400 car, and announced his plan to merchandise it through gas stations instead of through dealer organizations.

Recalling that there were 241,836 gasoline filling stations in this country (1939 census), he stated that "every gasoline station can sell this car, and they can sell it for cash, eliminating the financing charges and much merchandising overhead. We'll sell it without turn-ins."

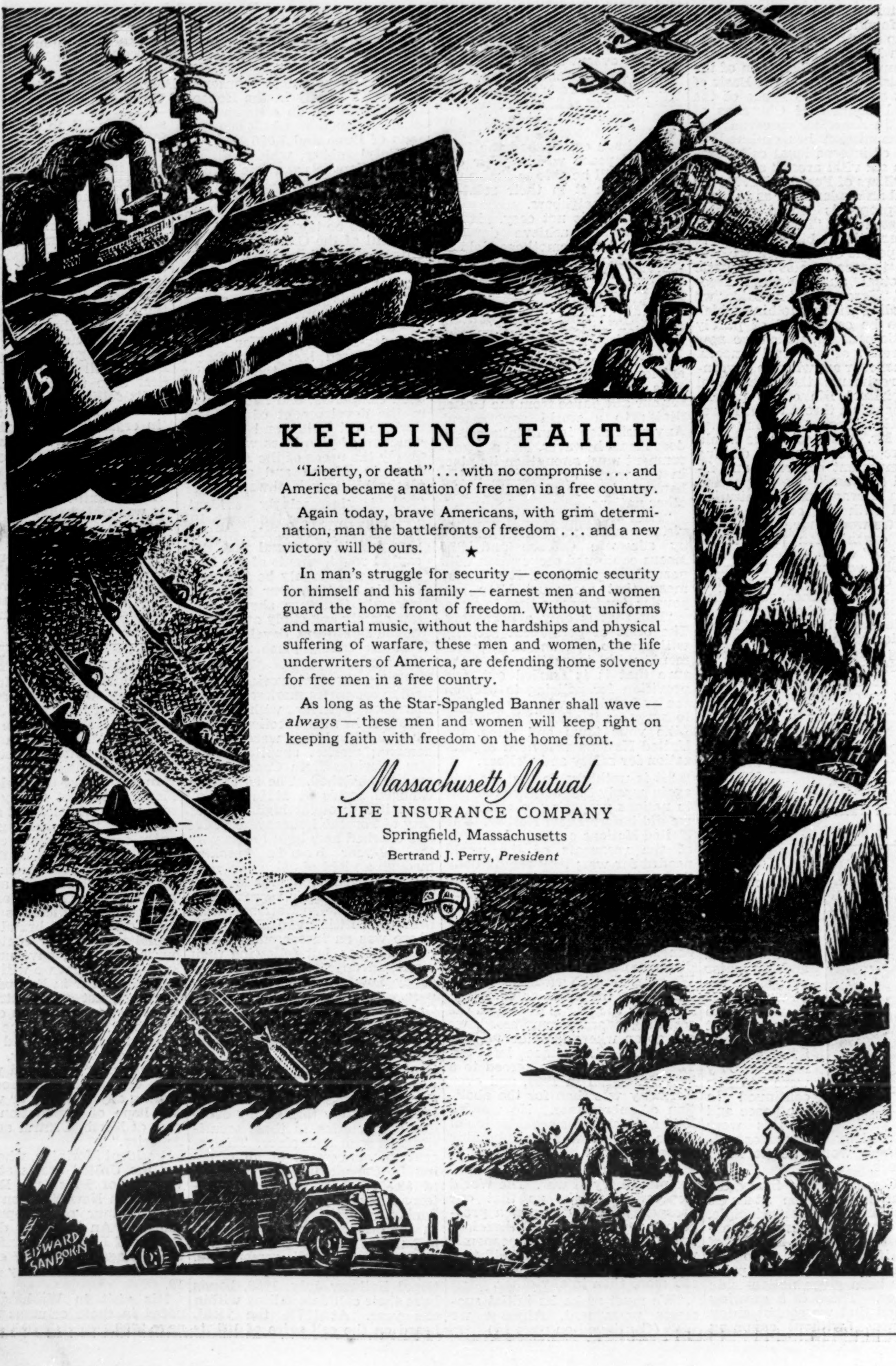
"That will free millions of dollars for the purchase of luxury items," he added, predicting that his plans would provide a stimulus for new enterprise and improvement throughout the automotive industry.

"I hate to have anyone feel that I am out to hurt the existing industry," Mr. Kaiser said. "I'm aiming for a market that present cars reach only third or fourth hand. When Henry Ford built Model T for $375 it provided the greatest stimulus the country had seen in the sale of higher priced cars."

The engine he has in mind, he said, is a Kaiser development, a two-cycle, 16-cylinder, opposed radial type air-cooled engine, that is projected to develop 80 horse-power. He said the engine was running on test now, but that it was too early to estimate what gasoline economy could be expected of it.

Asked where he would produce his new car, Kaiser said:

"Production facilities will be no problem. We already have 52 experienced automotive industry suppliers in and around Detroit building parts for the prototype of the new car. The facilities are already here."



KEEPING FAITH

"Liberty, or death" . . . with no compromise . . . and America became a nation of free men in a free country.

Again today, brave Americans, with grim determination, man the battlefronts of freedom . . . and a new victory will be ours.

★

In man's struggle for security — economic security for himself and his family — earnest men and women guard the home front of freedom. Without uniforms and martial music, without the hardships and physical suffering of warfare, these men and women, the life underwriters of America, are defending home solvency for free men in a free country.

As long as the Star-Spangled Banner shall wave — *always* — these men and women will keep right on keeping faith with freedom on the home front.

Massachusetts Mutual
LIFE INSURANCE COMPANY
Springfield, Massachusetts
Bertrand J. Perry, *President*

Today
Barges that
land armies...
CHARLES ROSNER
Tomorrow
they'll open up
trade fronts

**Industry is helping win the war...
industry must help build a peacetime world**

**Fighting now is winning the war...
Thinking now can win the peace**

Today millions of service men are fighting for "a better world to live in." Other millions of individuals are performing miracles of production through the united efforts of management and wage earners—all of one mind—for "an unconditional surrender."

Tomorrow these millions will be permanently employed in peacetime pursuits provided they—all of one mind—dictate sound peace terms calling for sustained prosperity.

If the world is to prosper, there must be the same cohesion among the United Nations during the transition period and thereafter as now exists during the world-wide conflict. Internal stability here and in other nations can be gained and maintained only by sustained industrial production and by economic interdependence.

The people of this country, in common with the people of other lands, will prosper materially and spiritually when this war is ended but only if insistence, world-wide in scope, is now voiced for A JUST AND DURABLE PEACE.

THE INTERNATIONAL NICKEL COMPANY, INC.
Subsidiary of The International Nickel Company of Canada, Limited
New York, N. Y.

ARMY E NAVY
Awarded to Huntington Works

Price Fixing Discourages Production And Leads To Rationing, Dr. Roos Declares

(Continued from first page)

"Post-war planning must begin by making assumptions, many assumptions. We must be willing to determine or postulate answers to such questions as: Will the European war end before the Japanese? When will the European war end? What will be the pattern of civilian supply if we conclude the European war before the Japanese war?

"Lend-lease trade with Europe will, of course be important. But even if one knew all the Lend-lease plans and was sure that they would be carried out, he would still have only a partial answer. He must also know how much war production we will be likely to need to defeat Japan. Unless we are willing to answer adequately such questions, we have no way to compute how much deferred demand for durable goods, such as furniture and home appliances, and semi-durable goods, such as clothing and house wares, will exist.

"We will be unable to answer such further important questions as: Where will the price level be? How much working capital will be needed to carry on present business volume? What will be the distribution of wealth at the end of the war? What effect will this distribution, whatever it is to be, have upon consumer buying habits? What cities will offer the best opportunities for retail trade? Will the city in which your store is located grow north, east, south, or west and what will growth in either direction do to your trade? Should you make a short or long-term lease?

"Allied strategy has called for concentration of forces against the European part of the Axis first, with enough strength diverted to the Pacific to contain the Japanese and possibly force them back at a few strategic points. So far this has worked well. Can it continue?

"The ultimate outcome of the war is not now in doubt. We can conclude with reasonable certainty that we will have overwhelming superiority at the lines of battle in 1944 and possibly sooner.

Early End of European War

"When the Axis becomes convinced that it cannot overtake us and that further struggle is, therefore, useless, an armistice may come with startling swiftness. It would indeed not be unreasonable to assume an European armistice before Christmas, particularly if the Russians are able to break up an expected German offensive this summer.

"If we could then count upon England, France, Holland, China, and Russia helping us to defeat Japan, our war production could be tapered off considerably. We would have large stocks of munitions all over the world and trained armies and navies vastly exceeding those of Japan. We would need to produce chiefly small arms and munitions. We could, therefore, fight Japan aggressively and at the same time convert many of our war plants back to civilian production for both Lend-lease and domestic production.

"Under these conditions business would continue good, but we would no lônger be building up huge backlogs of demand. We might even be able to produce enough civilian goods after five or six months of such warfare as to use up some of the backlog accumulated during the past 18 months. Of one thing we can be reasonably certain. If we can bring the European phase of the war to a close before the Japanese, there will be no serious problems of post-war transition for manufacturing industry.

"Much of the transition will take place while we are still fighting a war and thus still receiving the stimulus to manufacturing that this provides. If the retailer keeps informed as to the progress of conversion, he need have no serious problems.

"From what I have just said you will see that I expect that enough of you will be in business next year to hold another Controllers' Congress. There should also be enough food to hold another dinner. In fact, I would not be surprised to learn later that you had served sirloin steak or filet mignon. None of you will have to wear your bathing suits or birthday clothes. There will be enough clothing.

"So far during the war the supply of civilian goods has been about adequate to take care of the usual consumer demand. There have been shortages here and there, but with the exception of gasoline and fuel oil no great discomforts have resulted.

"Shortages of both gasoline and fuel oil have affected the East more than the West. When we are pressing the war against Japan, shortage of gasoline will affect the West more than the East. If what one of my old college mates, Col. Jack Major, writes from New Guinea is correct, there may be unexpected difficulty.

"He says, 'The mosquitoes are vultures. One landed on an air-field recently and the mechanics put 100 gallons of gasoline in it before they discovered that it was not a P-38.'

"During 1942 inventories of goods were large; there were still several million unemployed and inflation could be controlled without great difficulty. My old office-mate, Leon Henderson, could 'control' prices by talking them down in his inimitable way, freezing them at arbitrary levels which were usually speculatively high and threatening retailers with inventory control. Leon had another advantage in 1942. He could look the other way as quality changed.

"Income increased steadily during 1942 and the supply of civilian goods shrank. The problem of price control became progressively more difficult. Threats were no longer effective. Quality changes were already obvious even to the poor ignorant consumer. Farm prices which had not been placed under Mr. Henderson's control had risen sharply and labor wanted higher wages. Mr. Henderson did the only thing possible. He resigned.

'Fixing' Prices

"The new Administrator decided to fix food prices. One of his earliest efforts was to freeze the prices of restaurants and hotels. Within a few weeks table d'hote meals disappeared from the menus. Everything was a la carte. You retailers should take a lesson from that. When you price a shirt, you should also price each sleeve, the collar, front, back, tail, and buttons. Then when you get squeezed under price freezing, you can sell shirts 'a la carte.'

"All during the first quarter of 1943 consumer purchases have been greater than they should have been on the basis of the demand-income relationships of the past twenty years. Now that income greatly exceeds the supply of goods, absenteeism has increased substantially.

"The worker, unable to buy what he wants—usually a durable good or better quality consumer good—even though he has the income, decides ot invest in leisure. He prefers leisure to income which he cannot use. Sometimes this leisure takes the form of a week-end orgy which makes him or her unfit to work Monday morning.

Sometimes the leisure is spent looking through the shops for nylon hosiery or other merchandise which is becoming scarcer and scarcer. Sometimes the leisure is spent making or building at home the things which can no longer be purchased in the shops.

Changing Armaments

"There is hope that the bazooka or rocket gun will make the tank and much of our modern armament obsolete so that pressure of the war on the durable goods industries will be lessened and so prevent this home industry 'trend', if we may dignify it by that name, from developing to the point where it will threaten retailers' markets.

"Seriously, it is conceivable that the changes in the character of warfare may be sufficiently startling so that a few durable consumers' goods can be made available even before we take Hitler's measure. This, however, would have only slight effect in arresting the trend towards inflation.

"This problem of inflation is so important that we are justified in spending a little time upon it. I am quite confident that most of your serious post-war problems will be concerned with the price level and inflation. Therefore, at the risk of seeming to be lecturing to you, I want to spend a little time portraying the underlying causes of price inflation.

"Whenever demand exceeds supply, an increase in price is indicated. The price increase decreases the demand and usually increases the supply until demand and supply again come into balance. When the national economy is operating near capacity, as it is today, there is little likelihood of increasing supply so that price increase operates only upon demand.

"When the American economy is operating at capacity purchasing power both in being and in potential, i,e., that which can be created by bank loans or by monetizing the public debt, is so large that price increases have to be large to shut off demand. Indeed, small price advances have the effect of inducing speculation by consumers and so increasing the demand. Small price advances 'feed upon themselves' and bring about large price advances or inflation.

"During wartime a substantial part of the working force is engaged in the production of goods which are not to be consumed in the usual sense by them or the workers who are producing the goods that do go through the usual channels of trade.

"Yet the workers who produce war goods get paid in the same kind of money as those who produce consumers' goods. The war-worker thus receives claims for consumers' goods (money) which are on a par with the claims of the producers of consumers' goods. The total claims for goods thus increase substantially.

Stimulated Demand

"If the production of war goods is considerably greater than the usual savings of the public, excessive claims to goods or excessive purchasing power is necessarily created. During 1942 total savings were about $28,000,000,000 and excessive purchasing power amounted to something like 16 or 17 billion dollars.

"About $6,700,000,000 of this excessive purchasing power became 'adventitious' savings in the form of increased demand deposits. Another $4,000,000,000 represented an increase in currency in circulation and the rest expressed itself in price increases and war bond purchases.

"During 1943 **excessive** purchasing power will amount to 25 or 30 billion dollars. This means that the public will receive 25 to 30 billion dollars in income in excess of what it would normally spend for the goods and services available and save on the basis of past relationships between incomes and demand and incomes and savings. These 25 to 30 billions of dollars of excess purchasing power, plus the uninvested savings of last year of about $10,700,000,000 represent the inflationary force at work in 1943.

"So long as a price advance calls forth increased total production, it performs a useful social function. But when total production cannot be increased, a price advance merely redistributes wealth and income.

"In general, when everyone can earn sufficient incomes to provide for the necessities of life and some savings, the majority do not wish to change the distribution of wealth by inflation. Nonetheless, individual groups always want to improve their status. Everyone is opposed to inflation except insofar as his own income or product is concerned.

"A common argument is that to change the income distribution for this or that group would have little or no effect on the price level of the economy. Yet an advance here leads to an advance there and the accumulation of a lot of little advances makes a big one.

"If we increase farm income, we necessarily increase the cost of living and so deprive the worker of purchasing power. If we increase wages, we necessarily must increase prices (at least after the advantages of the lower costs due to increased production have been absorbed) and so deprive the salaried worker, the fixed income recipient and the farmer of purchasing power.

Anti-Inflation Methods

"There are probably nearly as many methods proposed for controlling inflation as there are economists or business or political leaders who have studied the problems. But the methods which receive most attention embrace one or more of the following: Monetary sterilization or destruction; Forced savings; Taxation; Price-fixing; and Rationing.

"A brief discussion of each method and its effectiveness will be helpful to an understanding of the whole problem.

"In 1920, 1931 and again in 1937 destruction of bank deposits (money) was effective in reversing inflationary trends. But it should be recognized that each of those inflationary situations was characterized by speculative demand and excessively high stocks of goods. Deflation of deposits, therefore, served merely to break the speculation and thereby bring about corrections in demand and price.

"At the present time when stocks of goods are dwindling fast, deflation of deposits probably would not materially affect the inflationary trend. In fact, with the government financing the huge expenditures of the war deflation of deposits could not safely be tried. It necessarily would

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NEW ISSUE

200,000 Shares

Gar Wood Industries, Inc.

Common Stock
(Par Value $1.00)

Price $5.875 per share

To facilitate the offering, it is intended to stabilize the price of the Common Stock of the Company on the New York Stock Exchange, on the over-the-counter market or otherwise. This statement is not an assurance that the price of the above security will be stabilized or that the stabilizing, if commenced, may not be discontinued at any time.

Copies of the Prospectus may be obtained only from such of the undersigned as are registered dealers in securities in this State.

Emanuel & Co.
Hallgarten & Co.
A. C. Allyn and Company, Inc.
McDonald-Coolidge & Co.
Van Alstyne, Noel & Co.
Johnston, Lemon & Co.

June 29, 1943.

mean a sharp rise in interest rates and this would not encourage savings by the public.

Currency Increase

"Currency in circulation is rapidly increasing. This is partly because higher payrolls accompanying full employment require more currency in circulation. But this is not the whole story. A substantial part of the increase in currency in circulation can be traced to its desirability as a medium for savings. Although it bears no interest, it is negotiable at any time and so is preferred to low coupon bonds by many.

"This very negotiability feature, however, is what makes the increase in currency in circulation dangerous. It is likely to be used at any time as a claim for goods. On the one hand, it would be desirable to decrease the volume of currency in circulation; on the other hand, this would mean a substantial increase in the desire to possess the liquid asset, money, and hence adversely affect interest rates.

"Many writers on inflation have urged forced savings as a cure for inflation. We actually have a small withholding tax which is to be refunded after the war. This is a form of forced savings.

"This small tax, however, is none too popular and it is doubtful that the tax can be substantially increased. Yet it must be drastically increased if it is to be effective. Excessive purchasing power of about $50,000,000,000 is likely for 1943.

"If the public is forced to save only a part of this amount, it is likely to adjust its other savings so that little efect on the inflationary problem will be achieved. For example, let us say that John Public intended to invest $22,000,000,000 of his purchasing power in government bonds, $5,000,000,000 in currency, $18,000,000,000 in bank deposits, and $5,000,000,000 in bidding up prices of the available goods. The government enacts a plan of forced savings.

"John Public is forced to lend the government $10,000,000,000. He thereupon rearranges his budget to read $12,000,000,000 for government bonds, $5,000,000,000 for currency, etc., He may even cut the $12,000,000,000.

The 'Ideal' Solution

"If it were feasible, the ideal solution would be to pay for the entire war out of current income. This would mean pay-as-you-go taxes equal in amount to the total government expenditures. Such a solution would so decrease purchasing power as to bring disposable income and, hence, demand in line with civilian supply.

"There would then be no problem of inflation. But such a solution, while ideal, has never been politically feasible. Even the 50% taxes of Great Britain are regarded by Britons as excessive. They probably could not be enacted in this country, and if they were, there would still be an inflation problem here.

"Just as the primitive physician treated the temperature of his patient by blood-letting, icepacks, etc., so the primitive economist has offered to treat inflation by fixing prices. In cases where the price advances were caused by speculation, immediate results seemed to develop; by fixing prices below the market the speculator was confronted with a loss. As a result, speculative demand collapsed.

"The OPA tried this remedy effectively early in 1942 when markets were highly speculative and when supply was more than adequate to meet normal demand. But as manufactured supplies shrunk, this method became less and less effective. Merchants and manufacturers refused to do business unless their costs were covered. Labor demanded higher wages to offset price increases.

"The OPA Administrator was replaced. Supplies have continued to shrink and the new Administrator is under fire in every direction.

"Price-fixing discourages production and so brings about the need for its corollary—rationing.

"In its utmost simplicity rationing represents an attempt to substitute a scarce super-money (the ration coupon) for the excessive ordinary money. The first effect is to shift the demand from the rationed commodity to others which are growing scarce and are, therefore, likely to be rationed.

"When shoes were rationed early in the year, the demand for almost all types of department and variety store merchandise increased sharply. This increase in consumer spending intensifies the shortages of merchandise and thereby increases the inflationary pressures. It hastens the day when other goods must be rationed.

Stimulants to Evasions

Problems of enforcement are especially grievous because for many years the American public has been taught that it is smart to avoid or even evade the law. The old Prohibition Law sired this attitude. The contradictory and often unnecessary orders of OPA have nurtured it.

"Nothing offered so far by government that is politically feasible will prevent the price level from rising. Retailers, therefore, should count upon increases in prices. Their post-war planning should assume higher price levels. Many of the problems facing retailers after the war will be associated with changing price levels.

"Since they are faced with inventory control and cannot hedge against price increases by holding large stocks of merchandise, and since price 'control' and the Excess Profits Tax law prevent them from keeping any significant part of profits that could be obtained from rising price levels, retailers by and large should assume that they will need new financing in the post-war world. In the immediate months after the war their receivables will be low. As these increase, they will need more and more working capital.

Distribution of Wealth

"The economic pressures of the war will unquestionably bring about further changes in the distribution of wealth. The former 'have-nots' will by the end of 1943 possess claims to fifty or more billion dollars worth of goods, whereas the total wealth of the country will probably not exceed $600,000,000,000. It seems reasonable to assume that this great shift in the claims to goods will change the demand of consumers.

"The war is relocating population. Some cities are becoming better trading centers than others. A good many of these population shifts will be permanent, since many war plants have been located near power resources and raw materials.

"This, of course, means that as national income again lines up with the supply of civilian goods in the post-war days, either (1) by national income dropping as armament work falls off faster than civilian work can be resumed, or (2) by prices rising because consumers quickly exercise their war-originated claims to goods, some areas are going to do smaller unit volumes of business and some larger. Each retailer here would be well-advised to become a gadfly to the industrialists of his city.

"If he can force them to make post-war plans more ambitious than the mere shutting down of factories or parts of them, he will render them, his community and himself a service. By assuming such a role, each of you can know what purchasing power is likely for your community and so what level of trade you can expect.

"You will also have information to judge the direction in which population in your city is likely to move. You will then be in a position to determine whether you should have a short or long-term lease and whether you should enlarge your present plant or move to a better location. In short, you will be able to plan intelligently for the future of your business."

C. B. & Q. Subsidiary Asks Permit To Enter Aviation

Possible railroad entry into the aviation business on a large scale was indicated June 26 when the Burlington Transportation Co., a wholly owned subsidiary of the Chicago, Burlington & Quincy RR., asked the Civil Aeronautics Administration for permission to operate helicopter or similar aircraft service in the area that it serves. The Burlington's bus company operates 8,500 highway miles in 13 Middle Western States.

"The contemplated service would afford millions of people residing in towns and small cities in the territory we serve the benefits of coordinated air transportation between the communities in which they live and the airports served by transcontinental or transoceanic airliners, as well as with motor bus and railroad services," said I. B. James, President of the Burlington Transportation Co.

The application to the C. A. A. said the bus company proposed to have 6,380 route miles of air service.

This announcement appears as a matter of record only and is under no circumstances to be construed as an offering of these Bonds for sale or as a solicitation of an offer to buy any of such Bonds. The offering is made only by the Offering Circular.

$28,483,000

The Pennsylvania, Ohio and Detroit Railroad Company

First and Refunding Mortgage 3¾% Bonds, Series "D"

Due July 1, 1968

Guaranteed as to principal, interest and sinking fund payments by endorsement by the Pennsylvania Railroad Company

The Series "D" 3¾% Bonds will be redeemable as a whole only, except for the Sinking Fund, at the office or agency of the Company, upon sixty days' previous notice, on any interest date to and including January 1, 1959 at 105% and accrued interest and thereafter on any interest date at a premium equal to ½% for each twelve months or part thereof between the redemption date and the date of maturity.

Sinking Fund of $285,000 per annum to be applied to the purchase or redemption of Series "D" Bonds. Bonds will be redeemable for the Sinking Fund on July 1, 1944 and on any July 1 thereafter to and including July 1, 1956, at 103% and accrued interest and thereafter on a graduated scale downward.

The issue and guarantee of the above Bonds and their sale to the undersigned are subject to the approval of the Interstate Commerce Commission, and all legal proceedings in connection with the issue, guarantee and sale thereof are subject to the approval of counsel for the undersigned.

In the opinion of counsel, these Bonds will be legal investments for savings banks under the laws of California, New York, New Jersey and other states and also for savings banks organized under the general laws of Pennsylvania.

Copies of the Offering Circular dated June 24, 1943, describing these Bonds and giving information regarding the Company may be obtained in any State from only such dealers participating in this issue as may legally offer these Bonds under the securities law of such State.

OFFERING PRICE 101¾% AND ACCRUED INTEREST
TO YIELD 3.64% TO MATURITY

Temporary Bonds, exchangeable for definitive Bonds, when prepared, may be delivered in the first instance. The Company will make application in due course for the listing of these Bonds on the New York Stock Exchange and for their registration under the Securities Exchange Act of 1934.

Kuhn, Loeb & Co.

New York, June 25, 1943.

Opportunity For Investment Dealers
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The Securities Salesman's Corner

IT'S ALL IN KNOWING PEOPLE!

Only people who have had actual selling experience can realize what a small part a "good argument" plays in making the average sale. Most laymen think salesmen just have to be good at winning arguments. Good salesmen know that just the reverse is true. There is an old adage that goes, "He won the argument but lost the sale." It's more truth than poetry.

Of course, there are times when you have to give other people good reasons for doing the thing that you suggest. People do like to feel that they have the power of making their own decisions—even if most of us would privately admit that we are far too lazy to accumulate the necessary facts in order to do so. Since our ego must be satisfied, the experienced salesman makes us think we are coming to our own decisions AND THEN HE MAKES IT EASY FOR US TO ACT IN ACCORDANCE WITH HIS SUGGESTIONS. Most people actually like being sold something—though most of us won't admit it.

All of this leads up to the truth of what the psychologists have been telling us for years—that we are creatures of habit. All of us have developed certain behavior patterns from childhood. We have various likes and dislikes, we hold prejudices and opinions, we become angry, happy, petulant, discouraged, serious, lighthearted, etc., at different times and for various reasons. The successful salesman is always making a study of people. His first business is that of a psychologist. Though he may not have a medical degree in the science of reading human nature, if he is a real salesman, he will know much more about "what makes his fellowman tick" than he will ever admit he knows.

In short, the major portion of psychology which is of any practical benefit to the average man, whether he be a professional salesman or just one who has to go through life doing what we all have to do occasionally (making others agree with us) is what is technically called the principle of **partial identity.** This law goes: ANY PART OF A SITUATION WHICH CAUSES A DEFINITE ACT MAY LATER CALL FORTH THE SAME RESPONSE, EITHER IN WHOLE OR IN PART.

That is why when someone puts a pen in our hand WE FEEL THE URGE TO WRITE. Or when a pencil draws a line on a paper WE ARE INCLINED TO FOLLOW THE POINT WITH OUR EYE. Or if one man looks up at the sky on a crowded street corner THERE IS SOON A CROWD AROUND HIM ALSO LOOKING UP.

That is why PRESTIGE is so valuable in salesmanship. It is connected with habit. THE PRESIDENT, A SUPERIOR COURT JUDGE, ESPECIALLY IF HE IS WEARING HIS ROBES, AN ADMIRAL OR GENERAL IN UNIFORM, A MEMBER OF THE CLERGY, A RENOWNED SCHOLAR, IMPOSING IN APPEARANCE AND THE TRAPPINGS OF OFFICE, ARE FACTORS WHICH ENFORCE THE HABIT OF SUGGESTIBILITY.

Prestige, furthermore, is enhanced by an acknowledged ignorance. THE PHYSICIAN'S SUGGESTIONS ARE MORE CLOSELY FOLLOWED BECAUSE OF THE PATIENT'S IGNORANCE OF PHYSIOLOGY OR MEDICINE. THE SAME CAN BE SAID OF SELLING SECURITIES IF YOU FIRST KNOW HOW TO BUILD UP YOUR OWN PRESTIGE.

After a salesman knows his people then he must know two things more—what he should do and say to make them act, and WHAT HE SHOULD NOT DO AND SAY THAT WILL BE ANTAGONISTIC TO THEM. Sounds simple, doesn't it—well, it isn't, and although we try all our lives to learn more and more, we all can say together: "We're all just beginners in the great game of understanding mankind and human nature."

Post-War Period Of Large Scale Unemployment Predicted By Fleming

A post-war period of large scale unemployment, with continuing high taxes, priorities and rationing was predicted on June 28 by Major General Philip B. Fleming, Federal Works Agency Administrator, according to a United Press dispatch from Chicago on June 28, which went on to say:

"Taxes are not going to come down immediately to pre-war levels," he told the Governing and Advisory Board of the Associated General Contractors of America.

"We should expect to see rationing of many things continued for several months or even years.

"There will be no immediate rush to buy new automobiles, washing machines, radios and air conditioning systems simply because these commodities will not exist. They will have to be brought into existence, and that will take time. The problem of what to do with the gigantic manufacturing facilities now owned by the government is certain to be a major national headache for years."

General Fleming said he does not believe the millions of war veterans will come home to well-paying jobs in private industry.

"Unless some provision is made in advance, I think it rather more than possible that a good many of them may be without jobs for a long time," he said. "To their number must be added some millions now working on war goods who somehow must be reabsorbed into industries producing for peace."

Tomorrow's Markets Walter Whyte Says—

Congressional acceptance of inflationary measures points to higher prices. Lack of volume and slowness of rails, however, indicate another reaction. Confirmation of important trend should appear before next week.

By WALTER WHYTE

For months, if not for years, the spectre of inflation has appeared on the horizon. But each time its threat seemed imminent and it acquired a considerable stock market following, something occurred and the thing some people feared and others hoped for did not materialize.

* * *

That some sort of inflation was inevitable was taken for granted. But in whatever form it would come I did not believe the common sense of our lawmakers would permit an upheaval that might end in chaos. Apparently I didn't reckon with personal pique and avarice.

* * *

That certain elements in Government and in the business world wanted inflation I was aware of. I spoke with them. I listened to their arguments. I knew what they were thinking of. But the fact that most of these arguments were so naive led me to believe that a deliberate inflationary program would be avoided. I know now how mistaken I was.

* * *

For the kind of inflation that spells ultimate danger is happening here. It is happening because powerful minorities which control certain legislators have been working day and night to bring it about.

* * *

The slogan from now on will be something called "controlled" inflation. Remember that phrase. You will hear more of it in the next few months. You will read all sorts of pedantic articles to prove that the country will go to the dogs unless this so-called controlled inflation becomes a fact. The powerful farm bloc which was licked on one score when it tried to lift ceilings on various agricultural products is again in the saddle and getting practically everything it wanted.

* * *

There's no point in moralizing about the road we are on. From a stock market viewpoint moralizing is not only foolish but at times even dangerous. In order to make money in the business of buying and selling stocks you have to accept things as you find them. You can't change them; you just follow them All this means one thing. And that one thing means higher prices. Whether or not these higher prices will compensate you for the increased cost of everything else you buy is something you will have to discover for yourself.

* * *

Last week's closing market sessions took their cue from the House shenanigans and started up. As this week opened prices kept improving. Bullishness again took the place of nervousness and even pessimists started to sit up and notice.

* * *

The Dow Industrials, which stood at 140.86 last Thursday, closed at 142.88 at the end of the week. The rails, that were at 35.42 on Thursday closed Saturday at 35.96. As this is being written these averages are respectively 142.41 and 36.02. This, as anybody can tell you, represents a new high in the industrials though not a new high for the rails. But if the market did go up its advance did not attract any unusual volume.

* * *

If you will read last week's column you will note that I warned that if the market went up but volume did not increase proportionately the significance of the rise would be negligible. This is just what you saw happen. But even a volumeless rising market has significance, even if this significance is not what most people like it to be. From what I can see of it, it looks like a "news" market. Some people who think they know what is about to happen have bought certain stocks. So far it looks as if they were right. But there are certain other signs hidden in the lack of volume, plus the comparative immobility of the rails, that point to at least another shakeout before the real trend of the market can assert itself. Therefore to buy stock now, while appearing as an ideal program, does not seem the sensible thing to do.

* * *

It's possible that instead of another reaction the market may go into a period of dullness, of which the current action is a phase, and then go up. But even in that case there will be at least another week or two in which to make a decision.

* * *

From what I can see of the technical performance I believe that by next week enough tangible clues will have appeared to make a better decision possible. So until then I suggest just sitting by and watching.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Confidence In Post-War Business Expansion Voiced By Dr. Moulton

Confidence that the United States would weather the post-war period successfully, profiting by lessons learned by both private enterprise and Government, was expressed on June 23 by Dr. Harold G. Moulton, President of the Brookings Institution, Washington, D. C., in an address before the Special Libraries Association convention in New York City.

Dr. Moulton said he views the future "with more confidence in the summer of 1943 than I have done for many years in the past."

His remarks as reported in the New York "Times" of June 24 follow:

Private enterprise, as a result of past shortcomings, and Government, in attempts to regulate business, had learned from mistakes and excesses on both sides, which "gives us some hope that progress will be made," he said.

Declaring that the Government should continue temporarily to set up controls against inflation, Dr. Moulton warned that a private enterprise system, "if we're to pin our faith to it," must be permitted to operate in a general climate of opinion which gives it confidence.

Asserting that "great wars are not always followed by depressions," he predicted that it would take at least two years to demobilize the Army, during which time industry would convert to peace production and absorb the labor supply. A large amount of public work would be available for those who cannot find work in private enterprise, he added.

He urged that a more satisfactory state of industrial relations between labor and capital must be evolved to replace the present economic warfare for profits; that the proper balance be maintained between production and consumption, with a broader and more efficient distribution of income; that financial stability be maintained through establishment of an international monetary system and that channels of international trade be reopened.

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Basis For Permanent Peace And Methods Of Preventing Aggression Subject Of Forum

(Continued from page 9)

have begun to do so. The recent Food Conference shows how it can be done. A whole series of other conferences are to follow it, conferences dealing with money, labor, trade and the suppression of social evils.

"It is through efforts of this kind that civilization advances and peace is assured. There is no reason to doubt that mankind will yet make good the wistful hope that 'all the men in all the lands may live out their lives in freedom from fear and from want.'

"Then, finally, the whole structure of international life must be safeguarded by the World Court and other tribunals. A later broadcast will deal with this great field of justice and human rights in which international law will assume new and greater importance.

"All this program is but the extension and fulfillment of the promise of American life. I have no doubt that we shall make that promise good."

Remarks of Senator Taft

Senator Taft spoke as follows:

"We fight, first, to prevent the victory of ruthless aggression in the world and to punish the aggressors. To accomplish that purpose we must destroy their armies and navies, and secure a surrender so unconditional that no nation in our lifetime will proceed on the assumption that might can make right. The winning of the war, therefore, is the first purpose of the war. Secondly we fight to establish a world in which war will not recur. The war has destroyed all economic relationships and we hope may destroy many prejudices. We have a clean slate upon which to write. Our second purpose has two divisions, first to accord to all nations a place from which they may go forward to prosperity and progress, and second to determine how national aggression in the future may be best prevented. Many say that we must now establish a plan to abolish war. We can all sympathize with this ideal but many wise leaders and warsick peoples have had that ideal before and no one has yet found the solution. The differences among Americans today do not relate to the ideals of insuring future peace. I believe all of us are willing to make commitments to use money and men in foreign fields if we can be sure that those commitments will contribute to peace rather than to war. But it is impossible to exaggerate the difficulty of the task, and global plans for international states or alliances cannot solve that problem by the use of catch phrases. Even the union of the thirteen colonies led 75 years later to the most destructive civil war this country has ever seen.

Robert A. Taft

"I believe we should devote our immediate attention to the terribly complicated problem of the immediate post war period. How shall the boundaries of the nations be drawn. How shall the people of Europe be fed . . . What shall be the general structure of international trade to give every country a reasonable standard of living. How shall the various nations achieve a self-supporting economic life at the very earliest moment—there may not be fundamental differences of opinion in this country on these questions but they have not been thought out nor have we sat down with the other United Nations to work them out in a cooperative way. The military victories will impose upon England and Russia and the United States a power over all the world which cannot be permanent but which temporarily will give an opportunity to start the new world on a sound basis. It is an opportunity which must not be lost in a dispute over future forms of organization.

"The question of a permanent organization of the world to prevent agression in the future is already producing wide differences of opinion in this country. We are being asked to commit ourselves to all kinds of fantastic and inconsistent plans before we know what the world will look like after the war. We certainly do not wish to assume obligations unless the plan is one which gives some reasonable chance of practical success in assuring world peace. We do not wish to assume any obligations unless the territorial and economic settlements are fair to all nations, so that we can agree wholeheartedly to stand behind them . . .

"My own view is that an international superstate with an international police force is fantastic; the state would fall apart in a few years, and leave more chaos than if it had never begun. The United States was almost destroyed because of one difference between people of common ancestry and common speech. But here it is proposed that we combine people with different languages and methods of writing, with different forms of government, with different standards of living and with utterly divergent ideals. Nor do I believe the nations are willing now to disarm, which would be essential if the international police force is to accomplish anything except keeping order in the Balkans . . .

"On the other hand, we have Walter Lippmann insisting on a world of alliances, and military force, in which the British and ourselves will organize an order 'in which other peoples find that their liberties are recognized by laws that the great powers respect and that all peoples are compelled to observe.' This idea is absolutely contrary to the Stassen plan international state and inconsistent with President Wilson's ideals of a league of independent nations . . . I believe myself that any plan must be based on the retention of sovereignty by every nation, with covenants between them to join in preventing international aggression. I believe that our people must commit themselves to use military force under certain conditions where aggression has been found by an international body to exist.

Certainly we are not ready to make our decision now as to the kind of permanent organization we should have. We should devote ourselves to the immensely important problem of the immediate post-war period, not losing sight, however, of the ultimate goal, which is cooperation with all other nations in the most practical plan to prevent future war."

Comments by Mr. Dulles

Mr. Dulles explained the "Six Pillars of Peace" as follows:

John F. Dulles

"The Commission of which I am Chairman has outlined a future of international collaboration in six vital areas. We call such collaboration the "Six Pillars of Peace." Many of you have, no doubt, seen our Statement. I will try now to explain how these proposals would operate.

"We first proposed an overall, top, political body. This, as I see it, would periodically bring together the political representatives of the nations for consultation and collaboration on matters of common concern and for supervision of technical, functional agencies. We would start with the United Nations, which have already formed the habit of consulting together. But ultimately we want universality. At the same time, universality must be practiced with regard for basic realities. One of these is that nations which are physically close usually have more common problems than nations which are far apart. Therefore, within the framework of a universal body, there may be regional councils concerned primarily with areas like Europe or the Americas. Another reality is that nations with far-reaching interests and influence must assume a more active role than nations of limited interests.

"In the second place, we would organize a new way of dealing with important economic and financial matters. Here the world has grown very interdependent and nations cannot go on dealing with these matters as though they were of purely domestic concern. I do not think that it is practical now to have free trade, but it is practical to organize world trade so that it will rest on agreements between the nations which fairly take into account their different needs, both for trade and for protection. Also, world trade needs a world bank to help people with one kind of money to buy from people who use another kind of money.

"Thirdly, we call for a standing international body to look out for needed changes. You may be sure that the treaties which first establish the conditions of peace will be outmoded 100 years from now, just as we today could not get along with the laws we had 100 years ago. We may not yet be ready for a world legislative body with power to impose change on the nations. But at least we need to have a body whose job it is to study and make timely suggestions of changes. That will create strong moral pressure upon nations that tend to become obstructionists by insisting too much on maintaining the **status quo.**

"Fourthly, we propose to have an international organization to deal with the colonial problem. In some cases an international body might actually take over the task of colonial administration. In other cases, the present colonial power may be the best administrator. But, if so, it should be responsible to some higher authority, charged with assuring that the administration actually is working toward ultimate autonomy and that in the meantime there is no economic exploitation of the subject peoples.

"In the fifth place, we would have an international organization to control armament. No doubt a first task will be to assure that peoples who might be disposed to a war of revenge will not have weapons for that purpose. But the task is broader than that because all armament should be brought under international control. No one can foresee what nation may become a future menace. Japan and Italy were part of the alliance against Germany in the First World War, but they were the first thereafter to become aggressors. No single nation should ever have such a large military force that it feels that it may successfully defy the moral judgment of the rest of mankind. Also, we should have a central agency to promote the mobilizing of power to support international order.

"In the sixth place, and finally, we want an international bill of rights to assure people everywhere, without regard to race or class, the basic intellectual and spiritual freedoms. Here, again, we are dealing with something which used to be considered of purely domestic concern, but which we now see is really of universal concern. For whenever anywhere a government regiments the intellectual and spiritual life of its people, then there is a threat to the moral foundation of peace."

Remarks of Elmer Davis

Elmer Davis, Director of the Office of War Information, was also a speaker at the forum, acting as Chairman of the program, presented under the caption "For This We Fight." Mr. Davis said that "the United Nations were united at first in resistance to aggression. Now they are united in counter-attack, and many of us hope they will remain united in the sense that they are united now, that is that they will exercise their sovereign powers by collaborating to preserve the peace which they have won."

Mr. Davis added:

What form that collaboration may take cannot yet be predicted. Two things only can be said: First, that without some kind of collaboration the world is likely to be in for another war—bigger and worse than this one—by the time the little children of today are grown up; and second, that the most useful sort of collaboration is one that springs not from theory but from practice, collaboration through instrumentalities established to meet specific needs.

The United Nations idea was born of necessity, not theory. It did not come into being full-blown but developed as the situation requires. The first full-time, continuous agency was the United Nations Information Board in New York, bringing together the information services of the various governments. The first corporate activity was the recent United Nations Conference on food and agriculture which brought the representatives of 44 nations to Virginia to work out a long-range program on world food and nutrition as a first step to secure freedom from want. The second step was the project circulated last week on behalf of the United States, Britain, Russia and China, proposing a United Nations relief and rehabilitation administration to meet the immediate emergency problems of relief and reconstruction following the war.

Thus the United Nations is becoming the method not only of winning the war but of safeguarding the victory. This combination is the most simple, the most powerful answer to the Axis coalition which won all its victories **before** the Nations became united, and which has now no alternative but unconditional surrender to these United Nations.

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"Our Reporter On Governments"

By S. F. PORTER

The new 1½s of 1947 are an excellent bond. . . . Were a bargain. . . . Despite the pre-issue rumors that a note would be offered —a forecast first made in this column weeks ago—and despite the stories that the Treasury would be generous in its offering, the fact that the 1½s were sold still came as a pleasant surprise to professionals. . . . Immediately, oversubscriptions of several times were predicted. . . . Some sources believe a four-times oversubscription will be announced. . . . Allotments will be small, with the big buyers getting mighty few of the notes they ask for. . . . And a premium is certain—in fact already is being quoted on the issue. . . .

It looks wonderful and the deal was a sparkling success. . . . No doubt about it, Secretary Morgenthau's advisers do know how to handle these straight market operations. . . . And as for precedents, we now may look with confidence on the pattern being established in the money market. . . . To wit: . . . A ⅜% rate on short-term stuff, due in 92 days. . . . A 1½ to 1¾% rate on notes due in four to five years. . . . A ⅞% rate on one-year certificates. . . . A 2% rate on 10-year bonds. . . . A 2½% rate on longest-term securities. . . .

There it is—all laid out neatly in blocks and squares. . . . It really makes it quite simple. . . .

But now that the deal is over, these are the points to emphasize:

(1) There'll be a ¼ to ⅜ point premium on the 1½s and then the curve should level out. . . .

(2) The market should settle down for a while now, for there's nothing in the way to push it in either direction. . . .

(3) Some excellent switching opportunities should be on the calendar, due to the normal readjustment after a new financing. . . .

(4) Some large-scale operations by the Federal Reserve System, which is actively handling the market these days. . . .

But now to another point—one that has nothing to do with today's news, but which has a lot to do with events leading up to this financing. . . .

CRITICISM FOR TREASURY

In the pre-war days, it was perfectly natural for the Treasury Chief to delay announcing details on a financing deal until the last few hours. . . . As this observer has written several times recently, the policy was justified. . . . It prevented undue speculation. . . . It gave out-of-town investors who have less chance to obtain inside news, a fair chance to compete with the giant New York institutions. . . . It added an atmosphere of excitement to the market that rarely did any harm. . . .

So it was an accepted policy. . . . But then came the war. . . . The multi-billion dollar deals instead of multi-million dollar deals. . . . And the necessity for preparation, for giving the experts some advance notice became apparent and logical. . . .

Until this June financing, Morgenthau has been especially careful about notifying investors and dealers in time about the terms of a pending operation. . . . This time, though, he has been coy. . . . And he has brought down upon his head the wrath of dealers and traders throughout the financial district. . . . Right or wrong, the result of his policy has been unfortunate. . . . One dealer called the idea "silly". . . . Another termed it "unfair". . . . A third used the characterization of "ridiculous and valueless". . . . The terminology gives you the psychology—and there's no reason why that should exist now. . . .

However, the waiting is over now. . . . And the reason for this report is to indicate the resentment of the financial community. . . . Assuming Morgenthau listens to the talk, which is a logical enough assumption, we may expect less secrecy next time. . . .

COMPLACENCY

The observation of one trader about this market is important enough to warrant repetition and analysis. . . . Said he:

> **"This market is too complacent. Everybody I talk to seems so sure that prices will stay up that they're not even thinking about a reversal of sufficient size to be worth notice.**
>
> **"The attitude of most seems to be that the market never is going to go down. They're looking for income rather than profits, therefore, and they already have more income than they've had in years."**

Just study those comments and then turn to your own investment department or think about yourself. . . . Are you one of the "complacent" investors to whom he is referring? Have you decided nothing can ever happen to hurt your profits? . . . Have you forgotten that no market continues indefinitely on a one-way street? . . .

Without question, the complacency to which this dealer is objecting is widespread. . . . This commentator admits to an equal share of blame on spreading the gospel that the authorities have so powerful a grip on this market that they can do just about anything they want with it. . . . But there are points to be mentioned and to be remembered at all times—paricularly now, after a prolonged rise in the market and at the beginning of a summer lull:

For instance:

(1) In informed circles recently, the rumor has been spreading that the Federal Reserve Open Market Committee would be much happier if this market were "at a more sensible level". . . . The Federal is the major control, of course. . . . If it really decides to help the market find "a more sensible level," it can do a lot to point the way. . . .

(2) Another report has been that the Federal Reserve's selling of bonds has been for freezing of profits rather than for supply purposes in a rising market. . . . The Federal has been selling bonds almost without interruption for weeks. . . .

(3) We're liable to move into a comparatively tight money situation later this Summer and see excess reserves down to an extremely low mark. . . .

(4) Talk of a reduction in reserve requirements is premature at this time. . . . If a reduction is decided upon, it should come just before the next prime financing so that the easing of the money situation will have a direct beneficial effect. . . .

This is not to imply that any important reaction is in the offing. . . . On the contrary, it may be emphasized again and again that a major decline during a period of large-scale borrowing is unthinkable. . . . It just can't be permitted to happen—and therefore, it won't. . . . But it is possible, in fact probable, that we'll see some correction in prices over the coming months. . . . Before the September deal. . . . And it would be fine for all concerned if the complacency in the nation today were dissipated. . . . If a ¼ or ½ point drop in prices would accomplish that, the authorities may decide to push one along. . . .

INSIDE THE MARKET

Partially tax-exempt bonds still appear cheap in comparison with the rest of the list. . . . For institutions in need of tax-exemption, the fact that issues like the 2¾s and 2⅞s due in the late '50s and '60s still may be bought at in-reach premiums is good news. . . . Latest information on the widely popular 2¾s of 1965/60 is that the bonds have plenty of room despite the recent important advance. . . .

One dealer forecasts a price of 115½ for the issue before the move is over. . . . The bond is at 112.9 at this writing. . . . Another trader figures more conservatively that the 114-115 level is a logical forecast. . . . Either one would represent a terrific advance. . . .

Other reported attractions are the 2⅞s of 1960/55, the 2¾s of 1959/56, the 2¾s of 1963/58. . . . Maybe these bonds will take plenty of time to get up but with the tax outlook being what it is, the attraction is obvious to all. . . .

Secretary Morgenthau's move to discontinue sale of the Series A tax notes hailed throughout the financial district as wise and sensible. . . . Only $303,000,000 of the notes are outstanding and in New York, total sales of the A notes from August, 1941, to date of elmination reached only $85,000,000. . . . No point in cluttering up financing picture with an issue of that kind, no matter what its initial advantages. . . . And, of course, pay-as-you-go eliminated need for A notes. . . .

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Full-Scale Model Of "Tomorrow's Kitchen" Shown By Libbey-Owens-Ford Glass Co.

Takes Post-War Planning Off Drawing Board For Industrial Preview

Post-war planning left the drawing board for the familiar world of three dimensions here today as designers put finishing touches upon a full-scale model of the "kitchen of tomorrw", developed by Libbey-Owns-Ford Glass Company and previewed over the last few weeks by more than 100 architects and manufacturers.

The man in the street and the queen of his culinary department might marvel at a conception of kitchen design that transforms the drudgery center of the home into a playroom most of the time. But industrial visitors, looking beyond surface appeal, saw striking proof that no visionary test-tube materials are necessary to enable the post-war home to attain new standards of comfort and beauty.

G. P. MacNichol, Jr., Vice President of Libbey-Owens-Ford, told how what had started out as a kitchen planned to illustrate the decorative and utilitarian advantages of glass, had evolved as a complete, and perhaps revolutionary, unit, because H. Creston Doner, L-O-F design chief, "threw away the book" and started from scratch.

"Following wherever their imagination led them, our designers came up with what we hope may prove to be a great many practical ideas, many of which have nothing to do with glass," MacNichol said. "They attempted no mere improvement of existing model design. They did, however, make use of familiar materials and devices in new ways, and although the result certainly does not represent the ultimate, we will be gratified if it proves stimulating.

"An unexpected, but very pleasant result is the interest shown by other industries whose representatives are as anxious as we are to get post-war planning from the blue print stage into more substantial form. We welcome their use of all ideas displayed in our kitchen."

The designers believe the kitchen can be built into low and medium cost homes if it is produced in volume, he added.

Doner began its design by eliminating the conventional stove, refrigerator and storage cabinets. Then he created a room made spacious and airy by large picture windows, with colorful vitrolite walls offset by softly glowing panels of translucent glass. He put the equipment back, to be sure, but concealed it in a sleek buffet which becomes a single unit, arranged in efficient order. Between mealtimes the entire room becomes an attractive part of general living quarters", an extra room for play or study.

Some of the resulting innovations are startling. The cooking unit has specially designed cooking vessels recessed into the unit for most efficient utilization of heat; they act as serving dishes, too. Food mixer, waffle iron, toaster and sandwich grill are all built in. Three fourths of all meal-preparing can be done while seated. There is a timing device which watches the cooking while the housewife is away.

The equally revolutionary oven is raised to convenient working height and it roasts, broils or barbecues. It is covered with a hood of transparent heat-tempered glass which permits full visibility, minimizing heat loss or risk of injury. A revolving, motor-driven spit for barbecuing and a griddle for pan-frying also are included.

The refrigerator becomes a handsome service bar separating the kitchen and dining alcove. Accessible from either room through sliding thermopane doors permitting a full view of the contents while providing full insulation, it has separate compartments for various kinds of food. Shelves revolve so that food doesn't have to be removed while the housewife searches for some item tucked in back. The heat of the compressor is utilizde to dry dish towels.

The kitchen provides also for a built-in concealed dishwasher; the sink has an illuminated splash panel of white vitrolite; foot pedals operate the faucets so that the housewife may use both hands at her tasks.

Other features include a glass dining table that swings up against the wall to form a distinctive mural framed by its folding legs, opening up the dining room for recreation.

MacNichol reported that the kitchen will be available for inspection by designers and manufacturers indefinitely.

FDR Hails 10th Year Of Public Housing

President Roosevelt on June 16 hailed the tenth anniversary of public housing in the United States as "a notable milestone" and forecast "challenging possibilities" of developing broader post-war projects.

In a message to the National Public Housing Conference in New York, the President said:

"The tenth anniversary of national public housing is a notable milestone. Tremendous strides forward have been made in the decade since the National Industrial Recovery Act of 1933 provided for a public works program, of which housing became a significant part.

"Great social gains were effectuated through the public housing program before the war. Publicly financed war housing has made a large contribution to our entire war effort. I see also challenging possibilities of developing even broader housing programs for even more extended segments of the population under the program of the National Housing Agency when the war is over."

Lapham Resigns from WLB

President Roosevelt accepted on June 24 the resignation of Roger D. Lapham as an employer member of the War Labor Board. Mr. Lapham submitted his resignation because he said he had agreed to run for Mayor of San Francisco in a non-partisan election in November.

Mr. Lapham, Chairman of the Board of the American-Hawaiian Steamship Co., has served as one of the four employer members of the WLB since its creation in January, 1942.

Home Front Fails To Face Realities Dr. Clothier Tells Banking School

"As a nation we still fail to face the realities in the present crisis," members of the graduating class of the Graduate School of Banking were told on June 25 at their commencement exercises in New Brunswick, N. J., by Dr. Robert C. Clothier, President of Rutgers University, who was the commencement speaker.

The Graduate School of Banking is a school in advanced study for bank officers which the American Bankers Association conducts at Rutgers. Its course requires the completion of two years of extension study, attendance at three summer sessions of two weeks each on the Rutgers campus, and the writing of an acceptable thesis on some banking, financial, or economic subject.

The graduating class consisted of 133 bank officers from 21 States and the District of Columbia. Of the total, 41 were from New York State and 23 from New York City. This was their third summer session at New Brunswick. In all, 414 officers of banks from 34 States, Havana, Cuba, and Mexico City were enrolled in the student body of the school.

A feature of the commencement ceremony was the conferring of two honorary degrees. The degree of Doctor of Laws was conferred by Dr. Clothier on behalf of Rutgers University on O. Howard Wolfe, Vice-President of the Philadelphia National Bank, who is now serving as Chief Administrator of the Philadelphia Ordnance District.

Mr. Wolfe is a member of the faculty of the Graduate School of Banking where he teaches the art of bank management. A degree of Master of Arts was conferred by Dr. Clothier on David C. Barry, Vice-President of the Lincoln-Alliance Bank & Trust Co., Rochester, N. Y. Mr. Barry is also a member of the Graduate School faculty, in which he teaches consumer credit.

Asking the question, "Are We As a Nation Facing Realities?" Dr. Clothier said:

"The prolongation of this war by one day may well cost in the end a thousand American lives. Any one of those boys may be yours or mine. Yet can any one of us say that we as a nation have really gone to work to win it? Granting the outstanding achievements of American industry and large groups of workers, have any of us made the sacrifice the Russians did, say at Stalingrad? Have any of us shown the courage of the British during the battle of London or evidenced anything approaching the great fighting heart of the Chinese? How can we explain the incredible phenomenon, under existing circumstances, of strikes for increased wages in the coal and manufacturing industries resulting already in lessened production of the things on which the lives of our fighting men depend? How can we explain the acquiescence of our people in what may prove to be the humiliating surrender of the dignity and majesty of our government to group pressure and political expediency? Must war bring personal tragedy to us as it has brought personal tragedy to the people of China and Russia, and the conquered countries before we are willing to face these realities?

"Perhaps we have grown so soft with plenty and with the illusion of security that we have lost the capacity for self-discipline. If so, we can look to the future with grave apprehension, whatever the outcome of the war, for history leaves no doubt of the destiny of a nation which has grown superior to the ancient virtues of simplicity and integrity and industry. To many of us the most cheering aspect of the present crisis is the way in which our young men have reacted to the challenge of national disaster with faith and courage and complete self-forgetfulness. It still remains for us on the home front to prove ourselves as worthy as they."

First Fed. Savs.-Loan Ass'n Of Detroit Opens Safety Deposit Vaults

Safe deposit vaults containing 2,800 deposit boxes have been opened by First Federal Savings and Loan Association of Detroit in its headquarters on Griswold at Lafayette. At the same time, the association announced a new War Bond safekeeping service.

As an additional service particularly interesting to war-workers, First Federal is remaining open every Monday evening from 6:00 to 8:00. All facilities of the association including deposit boxes are available during those hours.

Following removal to its Griswold-Lafayette building acquired some months ago, First Federal opened a cafeteria on the fourth floor for the accommodation of employees and their guests. Luncheon is now served daily wthout charge to employees by the association, and this policy is reported to have been highly successful, as part of First Federal's continuing effort to maintain and improve employee relations. The fact that downtown cafeterias and restaurants in busy, war-working Detroit are expensive, badly crowded and frequently overflow into waiting lines of a half block or so, serves to make the association's cafeteria and "free-luncheons-to-employees policy" even more apreciated than would be the case in normal times.

Peace-Time Prospects Of Chemical Industry

(Continued from first page)

many businesses. Unlike certain other types of business, the chemical industry does not run the risk seeing its products made obsolete, because its products are intermediates. It is the end-product that changes.

In wartime, this same condition meant that the chemical industry had few problems of converting its plants to war work, or of retooling or redesigning. The end-products in most cases have changed drastically and output has expanded in certain chemicals, notably in those chemicals that go into the manufacture of military explosives for the government.

While our diversified chemical business has exceeded its peacetime volume, we are still working with the same chemical materials. We have uncovered, under the impetus of wartime research, considerable new chemical knowledge that will have an immediate application to postwar products.

Hercules has drawn up the plans for a plant construction program after the war that will surpass the expansion of any prewar year. These plans will call for a record number of employes.

Financially, the chemical industry will be prepared for immediate postwar expansion. The industry has always been distinguished by the relatively large percenatge of gross earnings which it plows back into research, improvement, and development. The industry also sets aside adequate amounts out of earnings to take care of obsolescence.

Equipped, therefore, with many new research accomplishments and with a sound management policy, the American chemical industry should be one of the strongest forces in the reconstruction of the postwar world.

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Bank and Insurance Stocks

This Week — Bank Stocks

By E. A. VAN DEUSEN

Early in July bank statements will be released showing the condition of each bank as of June 30, 1943. These "Statements of Condition" are the equivalent of the "balance sheets" of industrial corporations, and when properly scrutinized can be very revealing to the bank stock analyst. National banks, on call by the Comptroller of the Currency, must release statements at least three times a year, usually at the end of the first, second and fourth quarters. Member banks of the Federal Reserve System are also required to issue statements, usually as of the same dates as the national banks. With regard to State chartered banks, the requirements vary, but at least two statements per year are generally ordered. Most of the leading banks and trust companies in the large cities regularly publish statements at the end of each quarter. Quarterly earnings reports, however are rarely released, but most leading banks now report annual operations to their shareholders in some detail, and many of them on the standard form recommended by the American Bankers' Association. Thus, annual net operating earnings are readily obtainable in most cases, but interim earnings can only be calculated on an "indicated" basis, through comparison of a bank's statements of condition, quarter by quarter.

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In view of the importance of these statements of condition, and the regularity with which they are issued, it seems worth while for this column to discuss briefly their analysis. In so doing we shall confine ourselves to the usual condensed form as published in newspapers and

(Continued on page 18)

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

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June 30, 1943

TRADING MARKETS

STOCKS

Aetna Standard Engineering
Alabama Mills
American Cyanamid Pfd.
Argo Oil
Arlington Mills
Auto Ordnance
Autocar Co. Com.

Bendix Home Appliances
Berkshire Fine Spinning
Boston Woven Hose
Botany Worsted Mills Pfd.
Braniff Airways
Buffalo Niag. & East. $1.60 Pfd.
Buda Co.

Cliffs Corp.
Collyer Insulated Wire
Cornell-Dubilier
Crowell Collier Pub.
Cuban Amer. Manganese

Deep Rock Oil Com.
Dewey & Almy Chem.
Dictograph Products
Dwight Manufacturing Co.

Eastern Corp. Com.
Eastern Sugar Pfd.
Eastern Util. Associates Com.

Farnsworth Radio & Tel.
Federal Mach. & Weld.
Federal Water & Gas
Foundation Co.

General Machinery
General Water, Gas&Elec. Com.
Giddings & Lewis
Gleaner Harvester

M. A. Hanna
Haskelite
Hearst Cons. Pub. "A"
Hooker Electro-Chem.
Houston Lighting & Power

Indian Motocycle
International Mach. Tool

Jefferson Lake Sulphur Pfd.
Jefferson Lake Sulphur Com.

Kansas City Pub. Service Com.

Liberty Aircraft Products
Loft Candy Corp.

P. R. Mallory
Marlin Rockwell
Mass. Power & Light Pfd.
Mass. Utilities Associates Pfd.

Nashawena Mills
Nashua Manufacturing Com.
Nashua Manufacturing 1st Pfd.
Nashua Manufacturing 2nd Pfd.
New Eng. Pow. Associates Pfd.
Nicholson File
Northeast Airlines
Nu-Enamel

Oxford Paper Pfd.

Peoples Lt. & Pwr. $3 Conv. Pfd.
Charles Pfizer
Pollak Mfg.
Poor & Co. "A"
Punta Alegre Sugar

Remington Arms
Republic Natural Gas
Rockland Light & Power

Saco Lowell Shops
Southwestern Public Service
Springfield Gas Light Co.
Stromberg-Carlson
Struthers Wells Com.
Submarine Signal Co.

Taylor Wharton Iron
Tennessee Products
Timm Aircraft
Triumph Explosives

United Drill & Tool "A" & "B"
U. S. Sugar Com.
United Public Util. $2.75 Pfd.
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What Should Become Of A Salesman's Accounts When He Enters The Armed Forces?

By WHITMAN C. HAFF

Many securities salesmen have entered the Armed Forces leaving, perhaps, thousands of customers' accounts formerly covered by them to their firms to be taken care of and serviced. Just how will these accounts be taken care of? Will they be split up among other salesmen or will they be treated as "house accounts" and returned to the salesmen when they return to their respective firms? In all fairness to these men, who have offered, if necessary, to give their lives for their country, these accounts should be treated as "house accounts" or split up among other salesmen in such a way that they will be returned when the war is over in the event these service men return to their firms.

There are circumstances, of course, surrounding this most important problem. If, for instance, some of these accounts were "house accounts" before the salesman entered the service they naturally revert back to the firm but if they were obtained by the salesman's own efforts or were brought to the firm by the salesman when he entered the firm's employ it is generally conceded in the "Street" they should be returned to him when the war is over.

It is gratifying to observe that most firms are making, or have made, provisions for these accounts to be returned and are taking the right attitude toward these men but regretfully there are a few who are not doing so and who seem to believe that when a man leaves the firm and enters the service his accounts, which he obtained through his own efforts, belong to them and that they can use them as they best see fit. Everyone knows that a salesman's accounts are his "bread and butter" and many of these men will come back hoping to again cover their accounts as they did before they entered the service. Many of these men, perhaps, spent years building up such accounts. It certainly was not the fault of these men that they had to relinquish their accounts for the duration of the war.

Many lawyers, doctors, dentists and other professional men, upon entering the service, have given their accounts to other professional men to cover for the duration but professional ethics would not allow these men to retain such accounts when the other men returned from the war. Such should be the case of the securities salesman who has gone to war, not only to fight for his country but his firm as well and it is to the credit of the vast majority of houses that they recognize this fact.

Sees Present Pessimism On Assoc. Gas & Electric Situation Not Warranted

Present pessimism about the reorganization plan for Associated Gas and Electric system is not fully warranted, G. A. Saxton & Co., Inc., 70 Wall Street, New York City, declares in an interesting memorandum discussing the situation in detail. The plan, G. A. Saxton & Co. believes, is very realistic, perhaps to the extent of being overly conservative, and there are several important aspects which have received emphasis in the papers or in the plan itself. Copies of the memorandum may be had upon request from the firm.

Post-War Prospects Of Airline Good

John J. O'Brien & Co., 231 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange, have prepared a recent analysis of Transcontinental & Western Air, Inc. discussing the interesting post-war prospects of the company. Copies of the circular may be had from John J. O'Brien & Co. upon request.

Bank & Insurance Stocks

(Continued from page 17)

mailed to shareholders, and shall ignore the more detailed "legal" form supplied to the Comptroller of the Currency. The condensed form does not permit of great precision in analysis but the results are entirely satisfactory for most practical purposes.

An example of the "condensed" form is the accompanying "Condensed Statement of Condition" of Chemical Bank and Trust Company, New York, at the close of business March 31, 1943:

Assets		
(1) Cash & Due from Banks		$261,910,314.37
(2) U. S. Government Obligations Direct & Fully Guaranteed		509,560,658.92
(3) Bankers Acceptances & Call Loans		37,472,098.70
(4) State & Municipal Bonds		66,041,910.37
(5) Other Bonds & Securities		96,442,377.47
(6) Loans & Discounts		149,273,844.51
(7) Banking Houses		464,793.50
(8) Other Real Estate		4,563,096.25
(9) Mortgages		1,206,969.10
(10) Credits Granted on Acceptances		2,732,874.53
(11) Other Assets		4,295,815.52
		$1,133,964,753.24
Liabilities		
Capital Stock	$20,000,000.00	
Surplus	55,000,000.00	
Undivided Profits	5,805,606.30	
		$80,805,606.30
Dividend Payable 4-1-43		900,000.00
Reserves, Taxes, Interest, etc.		6,685,540.16
Acceptances Outstanding		3,863,352.14
Other Liabilities		304,824.75
Deposits, Including Official & Certified Checks Outstanding		1,041,405,429.89
		$1,133,964,753.24

The general purpose of statement analysis is to determine the liquidity and solvency of the bank, its investing policy and its earning power. Various fundamental and significant ratios are used but no single ratio alone can be considered as conclusive. Each must be judged in conjunction with other ratios and other factors.

Liquidity ratios are of particular interest to the depositor as indicating the degree to which his funds are protected and are available. The first ratio in this category is the amount of cash resources divided by total deposits, viz: in the case of Chemical, $261,910,314 divided by $1,041,405,430 equals 25.2%. Next is the ratio of cash plus Government securities to total deposits, viz: $771,470,973 to $1,041,405,430 equals 74.0%; and, thirdly, the ratio of quick assets to total deposits, or cash plus Governments, plus State and Municipal bonds, plus other marketable securities, plus, also, bankers acceptances, commercial paper and loans eligible for rediscount. Unfortunately, the condensed form of statement does not give all this information, neither does it differentiate between demand and time deposits, hence, ratios calculated from the condensed form are necessarily approximate. In this instance quick assets can be considered as comprising items 1 to 5 inclusive on the statement, which add up to $971,427,359, the ratio of which to total deposits is 93.3%. It will be noticed that the cash ratio is 25.2%, which is in excess of the 20% on demand deposits required by the Federal Reserve System for New York City member banks. The above three ratios of 25.2%, 74.0% and 93.3% considered together indicate that Chemical has a highly satisfactory measure of liquidity.

Investment Policy ratios are especially interesting to the stockholder, since they have important bearing on the earning power. The first ratio is that of total securities to total deposits, viz: (items 2 4 and 5), $672,044,946 to $1,041,405,429 equals 64.5%. A second ratio is that of loans and discounts to total deposits, viz: (items 3 and 6), $186,745,944 to $1,041,405,429 equals 18.0%. A third ratio is that of total earning assets (including fixed assets) to available funds, the latter comprising total deposits plus capital funds. Total earning assets include items 2 to 9, and aggregate $865,025,748, while available funds total $1,122,211,036. The resulting ratio is 77%.

The ratio of 64.5% for securities is abnormally high and is a reflection of the war financing policy of the Government superimposed on the "Deficit Financing" of the New Deal since 1933. On the other hand, and as further evidence of an abnormal condition, the ratio of 18.0% for loans and discounts is exceptionally low. The ratio of 77% for total earning assets is very favorable.

Earning ratios are "leverage" ratios and have particular significance for the stockholder. The most generally considered leverage ratio is that of deposits to capital funds, and represents the relation between the depositor's interest and the stockholder's interest in the bank. With Chemical the ratio is $1,041,405,430 to $80,805,606 equals approximately 13 to 1, indicating that for each $1.00 of the stockholder's interest there are $13.00 of deposits which, ignoring cash reserve requirements, can theoretically earn for him. A more realistic ratio is that of "earning assets" to capital funds, viz: (items 2 to 9), $865,025,748 to $80,805,606 equals 10.70 to 1.0. Another helpful earning ratio is that of "earning assets" per share, viz: $865,025,748 divided by 2,000,000 shares equals $432.51. This can then be related to the market price of the stock (around 46), which shows the stockholder that for each $1.00 of market value of stock there are $9.40 of earning assets.

Book value per share of stock is equivalent to capital funds per share of stock, when there is only one class of stock, as in the case of Chemical and most other large banks. Chemical's book value as of March 31, 1943, was $20,000,000 plus $55,000,000 plus $5,805,606 equals $80,805,606 or $40.40 for each of the 2,000,000 shares.

"Indicated Earnings," as calculated from the statements of condition, are obtained by noting the increase (or decrease) in surplus and/or undivided profits over the period in question and adding to this dividends disbursed or accrued. Briefly, the increase or decrease in book value, plus dividends, will give the "indicated earnings" before reserves, etc. Unfortunately "Indicated earnings" can at times be so misleading as to be meaningless, unless one is familiar with the policy of the bank in relation to hidden adjustments, reserves, etc.

In the case of Chemical, capital stock and surplus were unchanged on March 31, 1943, compared with Dec. 31, 1942. Undivided profits, however, increased from $5,456,273 to $5,805,606, or by $349,333; dividends paid were $900,000; the total of these two items was $1,249,333, equal to $0.62 per share. It is of interest to point out that Chemical's "indicated earnings" for the year 1942 were $2.44 per share, but that total net operating earnings were $2.68 and security profits $0.14, giving total net earnings of $2.82 per share, as reported to the stockholders in the annual report.

Not much more than the main points of bank statement analysis can be covered in a single brief article. Most of the significant ratios have been covered, however, and for most practical purposes these should be sufficient for the bank stock student and should enable him to compare one bank stock with another or a group, and thus determine those which appear to be in the most favorable statistical position.

Moors & Cabot Admit L. Clark & R. Smith

BOSTON, MASS.—Leon D. Clark and Roy E. Smith will be admitted to partnership in the firm of Moors & Cabot, 111 Devonshire Street, members of the New York and Boston Stock Exchanges, effective July 8th.

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"Peace Through World Trade" Removal Of Trade Barriers Urged

(Continued from first page)

the development of which means so much for the preservation of peace? Following the last war, we all made colossal blunders in trade policies. We built up high tarriffs, we choked the channels of commerce. Each nation was out for itself and itself alone. All followed policies that were frequently destructive, leading to antagonisms and bitter trade reprisals. I am accusing no one nation. America in all this spite of tariffs and embargoes was pretty bad, and worse than some others.

"No one nation set out to be that way. All of them simply failed to realize that our only hope for a prosperous world was to work together. Now we are waking up. We are realizing that the same principles hold true internationally as in our own country alone. Just as with us industry cannot prosper if our farmers are in the doldrums, so it is that our great industrial and trading nations are sick or well together.

"In the 1920s shortsighted trade policies—world wide, I say—were in large part responsible for the great business depression of the 1930s. Then in the 1940s Germany and Japan rush in to conquer the world. And so today we find ourselves struggling on land and sea and in the air to preserve even our own freedom! Peaceful world trade in itself is no certain guarantee of world peace. But assuming that strong, liberty-loving peoples, acting together, can stop that cruel and ferocious Axis aggression once and for all, then, as I have said, expanding international trade is a great factor making for permanent tranquillity.

"When this gigantic struggle ends the world will be confronted with vast losses and dislocations. When the world's only hope of making good this great devastation is to bring about an economy of abundance—in America and all over. The height of our payrolls, of our living standards, are all related to our volume of trade, both domestic and international. The United States is a great trading nation. We far more than most must have a peaceful and prosperous world to trade in.

"It is not our role to guide the whole world. That is too much to expect or ask for. But certainly the responsibility will be ours to join in with other like-minded peoples in establishing conditions that mean peace for us and for our neighbors. America, powerful as she is, can do more perhaps than any other single nation to spread hope and opportunity over the globe by helping to maintain law and order in the world, by accepting imports more freely than we have in the past, always remembering that trade is a two-way street.

"The greater freedom of trade that we build for, the more attractive do we make that policy for other countries. Open up our own markets and we shall build up the markets of others."

Mr. Watson's Comments

Thomas J. Watson

"All of these great questions of politics and economics come down in the last analysis to the decisions and actions of individual men and women. They are questions of human relations and we ought always to think about them in terms of the men and women, the individual human beings who are involved in them. If we can get human relations on a proper basis, the statistics, finance and all the other complicated technical aspects of these questions will take care of themselves.

"The simple rule to follow in all human relations is the Golden Rule: "Whatsoever ye would that men should do to you, do ye even so to them." This rule applies to all human relations, great as well as small. Four years ago this month I had the opportunity of speaking to the Biennial Congress of the International Chamber of Commerce at Copenhagen, Denmark. I said then, and I say again today, that our international difficulties and troubles come from failure to observe this rule. Too many have tried to make this a man's world instead of God's world. And it just won't work.

"The Golden Rule is a rule of justice between men and between nations. There are times when justice calls for the execution of firm, and even severe, policies towards those who deserve such treatment. That is why we are fighting this war with everything we have—our armed forces, our home front and our material resources. We are determined to teach the aggressor nations that force and violence against nations, and inhuman treatment of individuals will not be tolerated in the future.

"After Victory our number one obligation is to see that justice is done to all the peoples and countries which have received such inhuman treatment and experienced such untold suffering and misery. Human relations is the formula which will help us solve these difficulties. We have to think always of these peoples as human beings, not as names on a map. The people who live in the little countries should not have to fear the aggression of their big neighbors.

"We Americans have every reason to be proud of the international policies for which our Government has stood. We do not want to annex the territory of any other people. This cornerstone of our foreign policy has brought us the confidence of our good neighbors—in the Americas—and all over the world. Our neighbors to the south know that the Monroe Doctrine is not a threat of domination, but a guaurantee against aggression. The way they have rallied to our cause in this war is proof that our human relations with them are on a sound basis and that they consider the Monroe Doctrine a two-way street.

"What we have done on the political side we should do also on the economic side, not through free trade but by fair adjustment of trade barriers. We should help to establish trading policies that are fair to all people. The people who live in the little countries should be able to produce and trade in fair competition on the world's markets. Secretary Hull's policy of negotiating reciprocal agreements is an application of the Golden Rule, a policy of sound human relations. It is based on the principle of fair dealing—the principle of equal trading opportunity. This is the principle that has made our country the great and powerful country it is today. Secretary Hull's policy strives to extend this principle of equal opportunity to our trading relations with all countries.

"If we follow this policy of reciprocal trade agreements we can lay a solid foundation for the four freedoms we are fighting for. The first settlers who came to our country sought a place where they could worship God in their own way. They established freedom of worship in these United States and it is a freedom our people have always cherished and will always fight for.

"Freedom of speech also is essential to our way of life. It allows each one of us to think his own thoughts and express his own opinions—to seek truth and to speak his mind freely. These two freedoms of speech and religion we are fighting to preserve.

"The other two freedoms we are fighting to win, and we shall win.

"We can be free from **fear** only when we have established lasting peace in the world by cooperating with the other peoples in the world who are determined, as we are, that there shall be no more war, that nations as well as individuals shall be subject to international agreement, and we must provide whatever means are necessary to enforce the agreements. If we do these things we can look forward with confidence to a lasting peace.

"Freedom from want means improving the standards of living for all people, by making the resources of the world accessible to all nations, large and small, on the same fair basis, and assisting in every way possible the less progressive nations in making use of these privileges to their advantage.

"These four freedoms mean opportunity for the young men and women of all countries who have vision and courage and are willing to apply human relations in their dealings with others.

"The kind of future our young Americans will demand after Victory will call for fair relations between Government and business, business and the people, the people one with another, employers and employees, labor leaders and business leaders, our country with other countries, economically and culturally. They are also going to demand policies that will prevent the spreading of evil propaganda from within our country or from sources outside of it—and sound plans which will provide jobs for all those who are able to work and good care for those who are physically unable to work.

"Our young Americans are willing and capable of assuring their full share of this responsibility.

"Human relations intelligently applied will enable us to solve these problems, because with humane thoughts constantly in our minds we will give due consideration to the human element in our relations with others."

Remarks of Mr. Johnston

Eric A. Johnston

"If we are to create a world in which peace has enduring qualities, it must be a world in which we strive at all times to assure all nations a maximum of material well-being. Thus will the demagogue and would-be dictator be thwarted in their selfish and bloody ambitions.

"Global material welfare depends first of all upon the enterprise of each nation in lifting its own productivity to the highest possible level. On this score, I believe no national economic system promises as much and accomplishes as much as capitalism—a creative competitive capitalism that brings out the enterprise of men in the production of the necessities of the world. A prosperous world demands that nations must look to their own backyards, in the first instance, for the pot of gold.

"But if we stop there, we would fall very short of the mark. The world is not constructed, economically, with adequate resources to be found in any single nation. Some of us are fortunate to have a great many of the important industrial resources within our own boundaries. Yet, this war has shown us that we can be almost disastrously upset when certain key products are shut off from us.

"So, when the war is over, if we are to have lasting peaceful world relations, we must also have lasting international trade relations of a productive and trade promotive character. If instead, we build Chinese walls about our individual nations, we shall very soon find guns poking their noses over those walls, for the very purpose of forcing certain commodities into circulation.

On the other hand I know that we cannot level all walls without disastrous consequences to many industries.

"It seems to me that the United States Government during the past decade has approached the question from the sane point of view. It has sat down around the table with the officials of one nation after another and endeavored to identify those places where a liberalization of trade might be accomplished without disastrous effect to the industries of either country.

"I believe it highly essential that this policy of constant examination of the tariffs and controls that affect international trade must go on as a continuous process and that provision should be made for such a process.

"I believe that when peace is established certain very fundamental broad principles of liberalization of trade interchange through the world can be set down. Yet merely to set down a general policy and not establish the machinery to make it effective is futile. We must have the machinery for transforming good wishes into practical action.

"Let me say one more word in closing. This job of keeping the channels of world trade cleared of jagged rocks and sunken logs, is not merely the job of government. It should be the job of government in the closest cooperative relationship with business and industry. If we are to have peace through world trade, then the traders of the world must be definitely a part of the picture. Thus there falls upon government, in my opinion, the highest necessity for calling into its deliberations the men who daily deal in the commodities under consideration. And similarly there falls upon business the paramount duty of informing government, with patriotic honesty, as to all of the facts that bear upon a particular modification of a tariff rate or suspension of a trade control."

The remarks of the speakers were broadcast over Stations WEAF and NBC.

Unison Of Action To Win War And Peace Urged By Szymczak

The country must be constantly on the alert to effect a "unison of action" necessary to win the war and the peace, it was stated on June 24 by M. S. Szymczak, member of the Board of Governors of the Federal Reserve System.

Speaking at the opening of "Liberty Center-Northwest Town" war exhibit in Chicago, Mr. Szymczak warned that that unison of action is threatened "every day and every moment" by several dangers.

He urged people to buy more war bonds to help win the war and to help fight inflation, explaining as follows:

"Using additional income for buying war bonds has the opposite effect to using it for buying civilian goods. It is in effect using money for war materials which must be produced in enormous quantities now, and preventing it from exerting demand for goods whose production might interfere with the war effort. The bonds we buy direct our additional income away from the channels where it will do the most harm and toward the channels where it will do the most good."

TRADING
MARKETS

RAILROAD BONDS

Baltimore & Ohio R. R., 4s/44
Balt. & Ohio R. R. Conv., 4½s/60
Boston & Albany R. R., 4¼s/78
Boston & Albany R. R., 5s/63

Central R. R. of N. J., 5s/87
Chi. & Alton R. R., Ref., 3s/49
Chi., Milw. & Gary, 1st 5s/48
C.M. St. P. & Pac. R.R., 'A' 5s/75
C.M. St.P.&Pac. R.R., 'A' 5s/2000
Colorado & South. Ry., 4½s/80

Denv.&Rio Gr. W. R.R. 'B', 5s/78
Denver & Rio Grande, 4s/36

Georgia, Sou. & Florida, 5s/45

Lehigh Valley R. R., 4s/2003

Mo.-Kans.-Tex. R.R., 4s/62
Mo.-Kans.-Tex. R.R., 4s/90
Mo.-Kan.-Tex. R.R., Adj. 5s/67
Mo. Pacific R.R. Gen., 4s/75
Missouri Pacific R.R., 5s/77
Missouri Pacific R.R.,5¼s
Missouri Pacific R.R., 5½s/49

Old Colony R.R., 1st 5s/45
Old Colony R.R., 1st 5½s/44

St. Louis-San. Fran. Ry., 4s/50
St. L.-San Fran. Ry. 'A', 4½s/78
St. L.-San Fran. Ry. 'B', 6s/36
Seab'd Air Line Ry. Act.,5s/31
Seab'd Air Line Ry. CDs, 5s/31
Seab'd Air Line Ry., 6s/45

PUBLIC UTILITY BONDS

American Gas Power, 3-5s/53
American Gas Power, 3-6s/53
Associated Electric, 5s/61
Associated Gas & Elec., 3¾s/78
Associated Gas & Elec., 4s/78
Associated Gas & Elec., 5s/73

Central Public Util., 5½s/52
Consol. Elec. & Gas 'A', 6s/62

Inland Power & Light, 6s

Portland Elec. Power, 6s/50

Republic Service, 5s/51

Southern Cities Utilities, 5s/58

REAL ESTATE BONDS

Beacon Hotel, 2-4s/58
Circle Theatre, 6s
Embassy Theatre, 6s
Equitable Office Bldg., 5s/52
50 Broadway, 3-6s/46
40 Wall Street, 5s/66
Harriman Building, 6s/51
Hotel Gov. Clinton, 2-4s/52
Hotel Lexington Units
Hotel St. George, 4s/50
Madison & 52nd St., 4s
New York Postal, 5½s/37
Poli New England, 5s/83
Savoy Plaza Hotel, 3-6s/56
Sherneth Corp., 3-5¾s/56
61 Broadway, 3½-5s/50
State Theatre, 5¾s

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STANY Will Present Seven Ambulances

Contributions to the Security Traders Association of New York fund for ambulances for the United States Armed Forces will enable the Association to purchase seven ambulances. The presentation will take place on the Sub-Treasury steps on a date to be announced later.

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Chic., Milw. & St. Paul Situation Of Interest

The current situation in Chicago, Milwaukee & St. Paul 5s of 1975 offers interesting possibilities, according to a descriptive circular prepared by Raymond & Co., 148 State Street, Boston, Mass. Copies of this circular may be obtained from the firm upon request.

N. Y. Title and Mtge. Ctfs. Series C-2 Interesting

Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City, have prepared an analysis of series C-2 first mortgage certificates originally issued and guaranteed by New York Title & Mortgage Co.

Copies of this analysis may be had from Seligman, Lubetkin & Co. upon request.

Rail Situations Interesting

Leroy A. Strasburger & Co., One Wall Street, New York City, have prepared an interesting descriptive circular on several lots of railroad bonds in registered form which offer attractive possibilities, the firm believes. Copies of this circular may be had from Leroy A. Strasburger & Co. upon request.

Situation Looks Good

The current situation in Pittsburgh Terminal Warehouse & Transfer first 5s of 1936 offers interesting possibilities, according to a memorandum issued by Hill, Thompson & Co., Inc., 120 Broadway, New York City. Copies of this memorandum may be had from the firm upon request.

Our Reporter's Report

(Continued from page 3)

Looking Far Ahead

These are days when the underwriting bankers do not let any grass grow under their feet, to quote an old saying. And accordingly the filing of the proposed recapitalization and simplification plan of the Niagara Hudson Power Company has turned the experts to sharpening their pencils.

Although it will be some months before the necessary hearings and preliminaries are carried out and the consolidations consummated, bankers visualize in the plan the possibilities of very substantial underwritings necessary to reshaping the financing structure of the properties involved.

Major bond issues of the companies involved run close to $170,000,000 and among the principal prospects are $66,000,000 of 3¾s of the New York Power & Light Corporation; $48,000,000 3¾s of Central New York Power Corporation; $20,000,000 of 4½s of the Buffalo General Electric Company and $17,000,000 of 3½s of the Buffalo Niagara & Eastern Power Corporation.

Nearer Term Prospects

But of more immediate concern are two other utility issues for which plans are well along and where it may be only a short time before the calls go out for submission of bids.

Northern Indiana Public Service Company, of the Midland Utilities Company group, is prepared to go ahead with an issue of $45,000,000 of first mortgage 3¼% series C bonds to mature in thirty years.

Proceeds would be used to retire an equivalent amount of outstanding series "C" bonds due in 1969 carrying an interest rate of 3¾%.

And the South Carolina Electric & Gas Company has filed for $20,000,000 of first mortgage bonds also of thirty years maturity. The sale here would provide funds for the redemption of certain bonds to be outstanding upon completion of its merger with the Lexington Power Company effective July 26 next.

Stock Issues Move Out

Good demand was indicated for two stock issues placed on the market early this week. The first involved 91,317 shares of cumulative preferred $4.25 dividend stock of the Beatrice Creamery Co., priced at $102.50 a share.

Dealers who had a participation in this undertaking, which covered the unexchanged portion of a recent offering to holders, reported a brisk interest in the offering.

Meanwhile another group, offering 200,000 shares of common stock of Gar Wood Industries, Inc., at 5.87½ a share disposed of the entire block within an hour of the opening of subscription books.

Forms Frank Russell & Co.

TACOMA, WASH.—Frank Russel has opened offices in the Rust Building to act as dealer and broker in investment securities under the firm name of Frank Russell & Co. Mr. Russell was formerly local representative for Wm. P. Harper & Sons & Co.

Situation Of Interest

Western Pacific old and new securities offer an interesting situation, according to a circular now being distributed by Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of this circular may be obtained upon request from the firm.

Vice-Pres. Wallace Contends Jesse Jones Obstructs War Effort

Vice-President Henry A. Wallace on June 29 alleged that Secretary of Commerce Jesse H. Jones had used "obstructionist tactics" against the Board of Economic Warfare in its effort to secure adequate stocks of strategic materials. Secretary Jones countered with the allegation that Mr. Wallace was engaging in "misstatements."

In Associated Press Washington advices of June 29 it was stated:

Mr. Wallace, as Chairman of the Board of Economic Warfare, declared in a long and sharply worded statement for the Senate Appropriations Committee that Mr. Jones, as Chairman of the Reconstruction Finance Corporation, which supplies funds for BEW buying, had obstructed the BEW in its "single-minded effort to help shorten this war by securing adequate stocks of strategic materials."

The Vice-President saw in Mr. Jones's attitude "a timid, business-as-usual procedure."

Mr. Wallace also stated that Mr. Jones had created a "false impression" in testimony before the Congressional Economy Committee headed by Senator Byrd (D., Va.)

"It is time to prevent further harmful misrepresentations of this nature," said the Vice-President, adding:

"Although the President, on April 13, 1942, transferred full control over the programming of imported strategic materials from the Reconstruction Finance Corporation to the Board of Economic Warfare, which operates under broad directives received from the War Production Board, Mr. Jones has never fully accepted that authority.

"He and his personnel down the line have thrown a great many obstacles in the way of our exercise of the powers given us to carry out wartime assignments. Some of these obstructionist tactics have been minor and annoying and some have been of major consequence in this job of waging total war."

In the New York "Journal of Commerce" of June 30 it was stated that according to Mr. Jones' statement "RFC commitments for foreign purchases have been approximately $3,500,000,000, of which not more than 10% was originated by BEW. We actually have received and paid for materials to the value of $1,600,000,000, of which less than 5% can be credited to BEW initiative."

Yesterday (June 30) James F. Byrnes, Director of War Mobilization called together Vice-President Wallace and Secretary of Commerce Jones to discuss their differences over stockpiling war materials according to the Associated Press, which stated:

"The chief of the Office of War Mobilization said that he asked the two principals to come to his White House office late this afternoon to talk over their case. Mr. Byrnes told a press conference that he had made some progress in dissolving a number of intergovernmental differences, but that he knew that "as long as men with strong convictions are in the departments, there will be differences of opinion."

Tweedy & Co. Resumes

Tweedy & Company, 52 Wall Street, New York City, is resuming activity in the investment business. The firm, originally established in 1920, will act as dealers and brokers in over-the-counter securities specializing in inactive industrial stocks and bonds. Partners are F. B. Tweedy and Joseph R. Reilly.

DIVIDEND NOTICES

Electric Bond and Share Company

$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment August 2, 1943, to the stockholders of record at the close of business July 6, 1943.

L. B. WIEGERS, *Treasurer.*

MANHATTAN BOND FUND, INC.

The Board of Directors of Manhattan Bond Fund, Inc., has declared Ordinary Distribution No. 20 of 11 cents per share and Extraordinary Distribution of 7 cents per share payable July 15, 1943, to holders of record as of the close of business July 6, 1943.

THOMAS F. CHALKER, Secretary.

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 110

A cash dividend declared by the Board of Directors on June 16, 1943, for the quarter ending June 30, 1943, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on July 15, 1943, to shareholders of record at 12:00 o'clock noon, Pacific War Time, on June 30, 1943. The Transfer Books will not be closed.

E. J. BECKETT, *Treasurer*

San Francisco, California

TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a dividend of 50 cents per share on the Company's capital stock, payable September 15, 1943, to stockholders of record at the close of business September 1, 1943.

H. F. J. KNOBLOCH, *Treasurer.*

VANADIUM CORPORATION OF AMERICA

420 Lexington Avenue, New York, N. Y.

June 28, 1943.

At a meeting of the Board of Directors held today, a dividend of twenty-five cents per share was declared, payable July 15, 1943, to stockholders of record at 3:00 o'clock p. m., July 8, 1943. Checks will be mailed.

B. O. BRAND, Secretary.

REDEMPTION NOTICE

Church of the Covenant, Erie, Pa. First Mortgage extended 3's due January 1, 1960: entire issue to be redeemed at par at The Marine National Bank of Erie, Erie, Pa. on July 1, 1943. Interest will cease July 1, 1943.

HUGH S. DARSIE
Vice-President and Trust Officer

Boston S. E. Firms Association Elects

BOSTON, Mass.—At the 23rd annual meeting of the Boston Association of Stock Exchange Firms held at the office of Kidder, Peabody & Co., the following were elected Governors to serve for three years: Alvah R. Boynton, F. S. Moseley & Co.; Albert P. Everts, Paine, Webber, Jackson & Curtis; Horace W. Frost, Tucker, Anthony & Co.; Albert W. Tweedy, H. C. Wainwright & Co. To replace three vacancies on the Board due to military service, the following were elected to serve until 1944: Russell A. Ballou, Schirmer, Atherton & Co.; Frank A. Day, R. L. Day & Co.; Charles C. Waterman, Draper, Sears & Co.

Officers elected were: John R. Chapin, Kidder, Peabody & Co., Chairman of the Board; Horace W. Frost, Tucker, Anthony & Co., Vice-Chairman; Robert B. Almy, Townsend, Dabney & Tyson, Treasurer and Assistant Secretary; and Edward H. Kittredge, Hornblower & Weeks, Secretary and Assistant Treasurer. Executive Committee elected include the Chairman, Vice-Chairman, Ralph Hornblower, Hornblower & Weeks; A. R. Boynton, F. S. Moseley & Co. and Lester Watson, Hayden, Stone & Co.

Mid-Year Bank Figures Study Now Available

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have prepared an interesting analysis of bank stocks revised to include the mid-year figures. Copies of this analysis may be had from the firm upon request.

Municipal News & Notes

Eight factors that explain present high prices and demand for municipal bonds are presented in the annual Mid-Year Review of the Municipal Bond Market of Halsey, Stuart & Co., Inc., Chicago, just published.

The eight factors are: scarcity of new offerings of municipal bonds; Federal control of interest rates; the diminishing probability that the existing tax immunity of municipal bonds will be removed; the increasing value of tax immunity because of increasing Federal tax rates; better tax collections by municipalities;; debt reduction by municipalities; more economy in municipal operations; and the quest of many investors for security.

"State and municipal financing for the year to date," Halsey, Stuart & Co.'s annual Mid-Year Review of the Municipal Bond Market states, "totaled only about $270,000,000 compared with over $338,000,000 in the first six months of 1942, which latter figure was, in turn, the smallest volume for any similar period since 1934.

"The scarcity of new offerings has been offset in some part by liquidation of substantial amounts of the holdings of municipal bonds by institutional investors who now find it profitable to dispose of such bonds at the attractive prices available to them, placing the proceeds in some of the newly offered Federal issues. The tax exemption of their municipal bonds, in other words, has greater value to the new purchasers than to the former institutional holders. Estimates place the total of such secondary distributions at a figure almost equal to the amount of new offerings during the past several months."

"Interest rates in a free economy," the Mid-Year Review of the Municipal Bond Market continues, "are determined primarily by supply of, and demand for, available funds. We do not, of course, have a completely free economy at present, and though there is no lack of demand for funds, that demand is concentrated so largely with one borrower — the Federal Government—that instead of competitive demands forcing rates upward, the one large borrower is in a position to establish its own rate, which it has chosen to do at a very low level.

"The very low yields to be had from the highest grade issues (of municipal bonds) have caused some buyers needful of more income to dip into issues of lesser grade, thus stimulating the demand for the latter and improving their price position. The secondary classifications, moreover, have in many cases shown improvement under the full-employment and high-wage level which have been characteristic of war-time economy. This factor, coupled with widespread relocation of industry and population, has greatly altered the situation of whole sections of the country and of many individual States and communities in particular.

"The improvement in situation and outlook of certain sections and communities is not, however, confined to secondary classifications alone. The financial position of municipal borrowers generally has shown improvement. For one thing, municipal debt, instead of trending upward, as had been the general situation previously, has, during recent years, moved in the opposite direction. This results from several factors: the extinguishment of old debt through serial maturities, the advancement of Federal funds during the depression years for undertakings which normally would have been met by the municipalities themselves, and more recently the unwillingness or inability to initiate new capital improvements. Along with these developments, tax payments, both current and delinquent, have been excellent and administrative and operating policies and costs have shown improvement in response to public demand. Many States and communities have, in fact, built up substantial reserves, looking toward possible need in the period of readjustment which is expected to follow the war. Except for the burden of Federal debt which must, of course, be considered in evaluating the overall picture, it is fair to say that the financial situation of States and municipalities generally has not been as satisfactory for years as at present."

Delaware River Commission Plans Refunding of Debt

The Delaware River Joint Bridge Commission, acting on the recommendation of Joseph K. Costello, Secretary and General Manager, voted unanimously on June 25 to refer the plan for refinancing of the Bridge Commission's outstanding indebtedness to its Finance Committee. The Committee held its first meeting on June 30 to work out details of the proposed refinancing. Mr. Costello stated that the $35,238,000 of 4¼% bonds maturing subsequent to Sept. 1 can be refunded at a rate of 3% or lower and the bonds sold at par or better. The Commission voted to retain Thomson, Wood & Hoffman of New York City as special bond counsel for the refunding. Mr. Costello said that the new series of bonds would be placed on sale by the latter part of August.

Puerto Rican Income Tax Not Applicable to United States Bondholders

Holders of Puerto Rican insular and municipal bonds residing outside of the Island are not affected by amendments to the Insular Income Tax Law, passed by the Puerto Rican Legislature on Dec. 3, 1942, removing the exemption from the Island's income tax formerly accorded to the interest on the bonds of the Government and its local subdivisions, Harold L. Ickes, Secretary of the Interior is reported to have stated on June 25. A report on the entire subject was received by B. W. Thoron, Director of the Division of Territories and Island Possessions, from Governor R. G. Tugwell. Regarding rumors that United States holders of bonds would be affected by the amendments to the Island tax law, Governor Tugwell is reported to have stated as follows: "You may reassure the banking and bond-holding community that the Treasurer does not intend to withhold any part of future interest payments nor to attempt taxation of nonresident bondholders."

Imperial Irrigation District Analysis Issued

A comprehensive study dealing with all phases of the Imperial Irrigation District, California, has just been issued by Kaiser & Co., San Francisco and New York. Embracing 60 pages, it sets forth in detail the history of the financing effected by the district and contains numerous tables and text matter illustrating the nature and security underlying the unit's indebtedness. The publication is extremely timely in view of the recent award by the district of $13,815,000 new refunding bonds to a nationwide banking group headed by Blyth & Co., Inc., and Kaiser & Co.

Pennsylvania, Ohio & Detroit Issue Offered By Kuhn, Loeb & Co.

Kuhn, Loeb & Co. offered formally, June 25, a new issue of $28,483,000 Pennsylvania, Ohio & Detroit RR. first and refunding mortgage 3¾% bonds, series D, dated July 1, 1943, and due July 1, 1968, at 101¾ and accrued interest, to yield 3.64% to maturity. The issue comprises one of the largest items of senior railroad financing in recent months. The new bonds are guaranteed as to principal, interest and sinking fund by indorsement by Pennsylvania RR. Issuance, guaranty and sale of the bonds are subject to approval of the Interstate Commerce Commission.

The issuer will use the proceeds for redemption on or before Oct. 1, 1943, of an equal par value of first and refunding mortgage 4½% bonds, series A, due April 1, 1977, at 102½ and interest.

An annual sinking fund of $285,000 will be applied to the purchase of the series D bonds now offered. For sinking fund purposes the bonds will be redeemable at 103 to July 1, 1956, and on a graduated downward scale thereafter. The bonds are redeemable otherwise as a whole only at 105 from July 1, 1944, to Jan. 1, 1959, and after the latter date at a premium equal to ½% for each year or part thereof between the redemption and the maturity.

The company intends to apply for listing of the bonds on the New York Stock Exchange and for their registration under the Securities Exchange Act. In the opinion of counsel the bonds will be legal investments for savings banks under laws of California, New York, New Jersey and other States, and also for savings banks organized under the general laws of Pennsylvania.

The properties of Pennsylvania, Ohio & Detroit RR. are leased to Pennsylvania RR. for 999 years. They form an integral part of the Pennsylvania system and include about 680 miles of track in Ohio and Michigan. Lines of the company are vital for entry of the Pennsylvania system into Detroit, Toledo, Sandusky and Akron.

Purcell Again SEC Head

The Securities and Exchange Commission announced on June 25 that Ganson Purcell had been re-elected as Chairman of the Commission for the year ending June 30, 1944. Chairman Purcell was appointed to the Commission's staff as an attorney in August, 1934; served in various positions on the staff, including that of Director of the Trading and Exchange Division from October, 1937, to June, 1941; became a member of the Commission in June, 1941; and has served as Chairman of the Commission since January, 1942.

President Roosevelt on June 23 named Mr. Purcell to serve as a member of the Office of Economic Stabilization, which is headed by Fred M. Vinson. Mr. Purcell said the appointment will give the SEC more direct contact with the OES in problems dealing with investments and securities.

New Haven Railroad and The Reorganization Plan

Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock Exchange, have prepared a new study of New York New Haven & Hartford. It is expected that a new ICC plan for reorganization will be forthcoming shortly, and such a reorganization is discussed in the light of the recent St. Paul decision. Copies of this study may be had from the firm upon request.

New York Title - Series C-2
1st Mortgage Liquidating Certificates
Ratio of Liquidations to December 31, 1942,
80% of Asset Cost
MARKET: 38 - 39
Complete descriptive circular will be sent upon request.
Seligman, Lubetkin & Co.
Incorporated
Members New York Security Dealers Association
41 Broad Street, New York 4 HAnover 2-2100

Real Estate Securities

PIERREPONT HOTEL

4% Fixed Interest — 8.75% Earned On Bonds

The feature of the first mortgage bonds of this hotel is the conservative mortgage based on the amount of mortgage per room as compared with other hotels with bond issues. The following comparison illustrates this point:

Hotel	No. Rooms	Mortgage	Mortgage per Room
Pierrepont	573	$928,200	$1,640
St. George	2,050	8,376,000	4,086
Granada	353	1,107,550	3,137
Lexington	801	3,677,600	4,591
Park Central	1,600	5,255,000	3,284
Taft	1,550	3,437,823	2,285
Gov. Clinton	1,098	5,485,000	4,995

The bonds are secured by a first mortgage on land approximately 10,857 square feet in area, situated on the north side of Pierrepont Street, approximately 50 feet east of Hicks Street, Brooklyn, N. Y., together with the 16-story hotel standing thereon, containing 573 guest rooms, a gymnasium, a swimming pool and the usual public rooms.

Bonds originally issued were were $1,175,000 and bonds currently outstanding amount to $928,200. The property is valued at $1,360,000 by the City of New York in its 1942-43 assessment.

Under a plan of reorganization under 77B, the maturity of the bonds was extended from 1940 to 1951. Fixed interest was reduced from 5¾% to 3% until July, 1941, and 4% thereafter until maturity of the bonds.

Subordinate to the bonds is a second mortgage of $83,832.

Sinking Fund—Available net earnings after operating and administrative expenses, taxes and fixed interest are applicable: first, to payments to a sinking fund up to 2¾% of the original amount of first mortgage bonds issued in reorganization ($1,072,000); next to payment of 2% income interest on the second mortgage. Any then remaining balance of net earnings would be applicable to further first mortgage retirements until reduction of the issue to $600,000 and thereafter to general corporation purposes.

The lien of the mortgage securing the bonds has been broadened to include all furniture and equipment contained in the hotel, a chattel mortgage on the furniture of $32,790 having been paid off in October, 1938.

Percentage earned on outstanding bonds, before interest and amortization has been as follows:

1942 ______________ 8.75%
1940 ______________ 5.81%
1939 ______________ 6.71%
1938 ______________ 6.03%

TRADING MARKETS IN
REAL ESTATE
SECURITIES
★ ★ ★
SHASKAN & CO.
Members New York Stock Exchange
40 EXCHANGE PL., N.Y. DIGBY 4-4950
Bell Teletype NY I-953

Active Markets
N.Y. Title & Mtge. BK C2 F1
Prudence Collaterals Series A-18
and all other
TITLE CO. CERTIFICATES & MTGS.
SIEGEL & CO.
39 Broadway, N. Y. 6 Digby 4-2370
Bell System Teletype 1-1942

Bank Of America Common Stock Sold

A block of 100,000 shares of the Bank of America National Trust and Savings Association of San Francisco common stock was offered on June 24 by a nation-wide banking group headed by Eastman, Dillon & Co., and including Kidder, Peabody & Co., Shields & Co., Hayden, Stone & Co., E. H. Rollins & Sons, Inc., and thirty-six other investment houses. The stock will be priced at $42.50 a share.

The subscription books on the offering were closed early in the day. The stock was formerly owned by the Transamerica Corp.

The Bank of America N.T.S.A. is rated as the fourth largest bank in the United States and the largest outside of New York, operating 487 branches throughout California. Resources at the end of 1942 were $2,771,689,000 and loans and discounts totaled $840,450,000. Organized with a State charter in 1904, the bank acquired a national charter in 1927. Earnings for 1942 were at the rate of $4.01 a share, against $4.16 a share in 1941.

Transamerica Corporation at the end of 1942 held 492,529 shares of the common stock and 423,374 shares of preferred stock.

Now Capt. Woolf, U. S. A.

Edward B. Woolf, formerly President of Stokes, Woolf & Co., Inc., 105 South La Salle Street, Chicago, Illinois, has recently been appointed a Captain in the Army of the United States.

Hinsch Co. A Partnership

(Special to The Financial Chronicle)

CINCINNATI, Ohio.—Charles A. Hinsch & Co., Union Trust Building, formerly a corporation, is now doing business as a partnership. Partners in the firm are: Charles A. Hinsch, Neil Ransick, and Emery Eyler.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on June 28 that the tenders for $1,000,000,000, or thereabouts, of 92-day Treasury bills to be dated June 30 and to mature Sept. 30, 1943, which were offered on June 25, 1943, were opened at the Federal Reserve Banks on June 28.

The details of this issue are as follows:

Total applied for—$1,305,659,000.

Total accepted — $1,005,718,000 (includes $58,294,000 entered on a fixed-basis at 99.905 and accepted in full).

Range of accepted bids:

High—99.910; equivalent rate of discount approximately 0.352% per annum.

Low—99.904; equivalent rate of discount approximately 0.376% per annum.

Average price—99.904+; equivalent rate of discount approximately 0.374% per annum.

(84% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on June 30 in amount of $805,048,000.

Secretary Morgenthau on June 30 invited tenders for a new $1,000,000,000 issue of 92-day bills, to be dated July 7 and to mature Oct. 7. Tenders will be received at the Federal Reserve Banks and branches up to 2 p. m. tomorrow (July 2).

Vote To End Food Subsidy Payments

Senate and House conferees agreed on June 29 on the legislation ending the subsidy-rollback program of the Office of Price Administration.

The bill, extending the life of the Commodity Credit Corporation for two more years and increasing its borrowing power by $750,000,000, prohibits further payments to processors to cut back the retail prices of beef, butter and coffee and bans further subsidy payments unless specifically authorized by Congress. The subsidy programs for which previous commitments had been made are to be liquidated after the bill becomes law. Subsidies for the sole purpose of encouraging production of vitally needed crops and minerals, to finance higher wartime transportation costs, and some other payments are to be continued.

The House voted to end the food subsidy program on June 25 and the Senate took similar action on June 26.

The conference report was expected to be approved by both branches yesterday (June 30) and then the measure will be sent to the White House, where it faces a possible Presidential veto.

In Associated Press Washington advices June 29 the following was reported:

The CCC extension measure would permit Government payments up to $150,000,000 to retain the present program of subsidizing increased transportation costs and production of critical metals and stimulating necessary output of war-essential food products.

After nearly seven consecutive hours in welding the two measures together, the House and Senate Conference Committee declared the bill would erase the subsidy rollback on retail prices of meats and butter, which the Office of Price Administration already has inaugurated.

It would permit payment, however, of commitments made by the Administration up to June 15 and allow Government agencies until Aug. 1 to liquidate the accrued payments.

While the Senate measure would have transferred subsidy powers from the Office of Price Administration to the War Food Administrator, the Conference Committee's version, Senator Robert A. Taft (Rep., Ohio) said, would "emphasize and reassert" present provisions of law requiring payment of the limited subsidies only with approval of the Administrator and when he believes it necessary to encourage production.

The conferees declared that no additional funds for subsidy payments above the $150,000,000 could be obtained without Congressional assent. The War Food Administrator also would be empowered to supervise what the conferees termed a buying-selling procedure that would allow a subsidizing agency to buy food at a loss from the farmer or on the open market to stimulate production.

The Government would be permitted to continue incentive payments on canning crops such as tomatoes, corn, beans and peas; on specialty crops such as peas and beans and on potatoes, hemp and sugar. The price-support program on domestic vegetable oils and fats likewise would be continued as well as payments permitting sale of wheat for feeding purposes.

Sees Synthetic Rubber Opening New Era For Rubber Securities

"Synthetic Rubber—Its Influence on Rubber Securities" is the title of a new circular just released by Hirsch, Lilienthal & Company, members of the New York Stock Exchange, 25 Broad Street, New York.

In their booklet, the company expresses the view that the adoption of synthetic rubber is ushering in a new period for the rubber industry. As a consequence, analysts must view rubber securities as investments and not as speculations as has been the common practice in the past.

The brochure points out that regardless of how much synthetic rubber replaces natural rubber in manufacturing processes, it will serve as an effective clamp on rubber prices. Rubber companies need no longer suffer the huge inventory losses which have confronted them each time crude rubber prices fluctuated sharply.

Copies of the booklet may be had upon request from Hirsch, Lilienthal & Co.

N.Y. State Comm. Chamber Awards Essay Winners

More than 200 school children —the prize winners in the annual essay contest conducted by the Chamber of Commerce of the State of New York in conjunction with the Board of Education and the Catholic School Boards—received their awards on June 18 in the Great Hall of the Chamber at 65 Liberty Street. Approximately 250,000 students in the public and parochial schools in the five boroughs submitted essays on the subject of this year's contest—"In What Ways Can I Contribute Most of the War Effort?"

The hall was filled to capacity with the successful competitors, their parents and friends and teachers. Each prize winner was applauded as he or she went to the rostrum to recive a money award. Eleven of the pupils won both group and grade prizes, the double awards ranging from $25 to $40. The other 200 winners received awards of from $2 to $15.

Gar Wood Industries Stock Offered By Emanuel & Co.

Formal offering of 200,000 shares of common stock par value $1, of Gar Wood Industries, Inc. was made June 29 by a banking syndicate headed by Emanuel & Co. The stock was priced to the public at $5.875 per share. Other members of the underwriting group include Hallgarten & Co., A. C. Allyn and Co., Inc., McDonald-Coolidge & Co., Van Alstyne, Noel & Co., Johnston, Lemon & Co., Sills, Troxell & Minton, Inc., Dempsey-Detmer & Co., Wm. C. Roney & Co., Sutro & Co., Carleton M. Higbie Corp., Pacific Co. of California, Shillinglaw, Crowder & Co., Inc., Stein Bros. & Boyce, Taussig, Day & Co., Inc., Ferris, Exnicios & Co., Inc., and Albert McGann Securities Co., Inc.

Proceeds to be received by the company from the sale of these securities, augmented by other funds, will be used to redeem all of the company's 128,000 outstanding shares of 5% cumulative preferred stock at $10 per share, plus accrued dividends from June 1, 1943 to date of redemption.

Upon completion of the present financing, the outstanding capitalization of the company will be as follows: $5,400,000 notes payable to banks—renewable under regulation "V" bank credit agreement to November 30, 1945; $75,000 mortgage notes payable—due in installments from 1943-1945; and 1,000,000 shares common stock, par $1 per share.

The company was incorporated in Michigan in 1922 under the name of Wood Hydraulic Hoist & Body Co. At present the manufacturing capacity of the company is almost 100% devoted to war production. Among the war products being manufactured are included many of the company's standard peacetime products with improvements and adaptations for war purposes which did not require major changes in the character of the company's operations.

The peacetime business done prior to 1942, and intended to be resumed by the company after the war, consisted of the manufacture, sale and distribution of a diversified line of products. These were divided into six major divisions as follows: Hoist and body divisions, road machinery division, winch and crane division, tank division, air conditioning and heating division and boat division.

SEC Requires Report On Renegotiation Data

The Securities and Exchange Commission announced on June 24 the adoption of amendments to Rule X-13A-6 and Form 8-K under the Securities Exchange Act of 1934. The rule requires the filing of a current report upon the occurrence of the events specified in the rule. Such reports are required to be filed not later than the tenth day of the month following the month in which the event occurs.

The Commission's announcement explained:

"The amendment relates to companies having war contracts which are subject to renegotiation proceedings pursuant to Section 403 of the Sixth Supplemental National Defense Appropriation Act, as amended. The amended rule requires a report upon the settlement of any such renegotiation proceedings. No report is required, however, if effect was given to the settlement in the most recently filed financial statements or if financial statements for the period covered by the settlement have not been filed. In the latter case, it is assumed, of course, that effect will be given to the settlement when financial statements for the period are filed."

Canadian Crops Are Generally Favorable

In its June 24 report on Canadian crops, the Bank of Montreal states that "in the Prairie Provinces crop conditions are generally favorable, although the season remains somewhat later than normal." The bank's report adds:

"Early cool weather promoted sturdy growth, and recent higher temperatures, prevailing over most of the Prairies, have stimulated development. Crops are generally well stooled and healthy and early-sown wheat is entering the shot-blade stage. Moisture reserves are satisfactory in Manitoba and most of Saskatchewan, but good rains are urgently needed in the southeast area of Alberta. Weeds are prevalent in some districts. Insects have caused slight damage. Pastures are in good condition. In the Province of Quebec the season is still from two to four weeks later than normal and seeding and planting have not yet been completed. Heavy rains have caused serious damage to crops and delayed operations generally. Pasturage and hay lands look promising. Orchards are in satisfactory condition and small fruits show promise. Warm dry weather is urgently needed in most districts. In Ontario better weather has prevailed since the beginning of June and prospects for all crops have improved materially, but the season remains about three weeks later than normal. Seeding of Spring grains is practically completed and planting of corn and roots is well under way; recent growth has been good. Hay and clover crops and pastures have made excellent progress. In the Maritime Provinces seeding and planting are still uncompleted, but hay lands are showing good growth, and in apple orchards there is evidence of a good set following heavy bloom. In British Columbia, all crops are late, and in general, below normal. Bloom in apple orchards was followed by a fairly heavy drop and the outlook is for a crop 50% to 75% of average."

Beatrice Creamery Co. Pfd. Stock Offered

Public offering was made June 29, by an underwriting group headed by Glore, Forgan & Co., of the unexchanged portion of 91,317 shares of new $4.25 cumulative preferred stock of the Beatrice Creamery Co. at $102.50 per share. Holders of the company's presently outstanding $5 preferred stock had the privilege, since expired, of exchanging their shares for the new stock on a share for share basis. Proceeds of the sale of new shares to underwriters will be applied by the company to the redemption on October 1, 1943 of all of the $5 preferred stock then remaining outstanding.

Beatrice Creamery Co. is the outgrowth of a business originally established in 1891. The company and its subsidiaries are engaged principally in the manufacture and sale of butter, ice cream, condensed milk, buttermilk, dried milk and cheese, the distribution of milk, eggs, frozen foods, oleomargarine and other specialty food products, and operation of cold storage plants, and in practically every branch of the dairy industry. Company operates 77 manufacturing plants in 17 states and the District of Columbia. Cold storage warehouses are operated in six important cities. Dairy products are marketed for the most part under the trade name "Meadow Gold" or "Blue Valley." The principal frozen items distributed are those of the "Birds Eye" line and are marketed under that trade name.

Total assets of Beatrice Creamery and its subsidiaries as of February 28, 1943 were $26,741,459, of which $13,490,910 were current assets. Current liabilities at that date were $2,682,973. The company's capital structure consists of 91,317 shares of authorized and outstanding preferred stock and 750,000 authorized shares of $25 par common stock, of which 381,866 shares are presently outstanding.

In the fiscal year ended February 28, 1943, the company and its subsidiaries reported net sales of $101,627,726. Consolidated net income before Federal and State income taxes was $4,760,935, and $1,664,994 after such taxes.

The annual dividend charge on 91,317 shares of $4.25 cumulative preferred stock to be outstanding is $388,097.

Gain In Coal Stockpiles Below Expectations

The bituminous coal stockpiles in consumers' hands, to which the Nation looks for protection against curtailed war production and cold homes caused by fuel shortages next winter, grew only 838,000 tons in May because of the loss of production due to strikes, Solid Fuels Administrator Harold L. Ickes announced on June 26.

"Since we must build up stockpiles in the spring and summer if we are to have sufficient coal to carry us through the fall and winter, our failure to increase them now to the full extent of our capacity will multiply our difficulties next winter," Administrator Ickes said. "Whether we can avoid an emergency then will depend upon how much coal we can get into storage between now and fall.

"The Bituminous Coal Division has just completed an estimate which shows that there were 79,505,000 tons of bituminous coal in consumers' stockpiles on June 1. This was a gain of only 838,000 tons more than the amount in storage on May 1. We should have increased stockpiles by more than 3,000,000 tons during May. We are still losing ground in June.

"It will be hard work to regain the ground we have lost, and we may not be able to do it. We certainly cannot do it unless we have uninterrupted production from now on."

The 79,505,000 tons of bituminous coal in storage on June 1 represented an average of 54 days' supply at the May rate of consumption, but would represent a considerably lower number of days' supply at the fall and winter rate of use. Consumption in May was nearly 6% less than in April. The 78,667,000 tons in consumers stockpiles on May 1 represented an average supply of 49 days at the April rate of consumption. A large number of individual plants had far less than the national average number of days' supply of bituminous coal in storage. In fact, information indicates that 1,700 plants, including a large number of war industries, have less than 10 days' supply on hand.

Preliminary information had indicated that the coal tonnage in storage on June 1 was less than on May 1. The receipt of complete data used in estimating stockpiles, however, revealed the small gain in total tonnage for the Nation.

"St. Paul's" vs. "MOPS"

A most interesting comparative study of the relative merits of "St. Paul's" and "MOPS" has been compiled by W. Wendell Reuss, partner in McLaughlin, Baird & Reuss, One Wall St., New York City, members of the New York Stock Exchange. Copies of the study, giving the author's reasons for his present preference for "MOP" securities may be had upon request from McLaughlin, Baird & Reuss.

Calendar of New Security Flotations

OFFERINGS

UNITED MERCHANTS AND MANUFACTURERS, INC.

United Merchants and Manufacturers, Inc., has filed a registration statement for 60,000 shares of 5% cumulative preferred stock, par value $100 per share.

Address—314 Industrial Trust Building, Wilmington, Del.

Business—Corporation is a holding company controlling companies operating textile merchandising organizations, mills and finishing plants engaged in various aspects of textile manufacturing located in the United States, Canada and Argentina. The underlying principle in accordance with which the corporation and its subsidiaries were organized and are operating is that they constitute principally a merchandising and selling organization.

Offering—Price to public will be supplied by amendment.

Underwriting — Lehman Brothers is named principal underwriter. Others will be supplied by amendment.

Proceeds — Proceeds derived from sale will be applied to such net corporate purposes as may be determined from time to time by the board of directors, providing some or all of the subsidiaries of the corporation with additional funds; modernization and improvement of manufacturing properties and plant equipment for some or all of the subsidiaries prior to and after termination of the war; providing for post-war contingencies and possible post-war expansion. It is the present intention of the directors to apply approximately $2,000,000 of the proceeds for the purchase from certain subsidiaries of the corporation of preferred stock which will be authorized for issuance by the subsidiaries, thereby improving the capital position of these subsidiaries by enabling them to reduce their bank indebtedness and substitute therefor the proceeds of the sales of their own securities.

Registration Statement No. 2-5154. Form A-2 (6-1-43).

Offered June 30, 1943 at 104 a share and div. by Lehman Brothers.

GAR WOOD INDUSTRIES, INC.

Gar Wood Industries, Inc., has filed a registration statment for 200,000 shares of common stock, par $1 per share.

Address—7924 Riopelle Street, Detroit.

Business—At present time company is devoting almost 100% of its combined manufacturing capacity to war production. The peacetime business consisted of the manufacture, sale and distribution of a diversified line of products classified into six major divisions: hoist and body; winch and crane; road machinery; tank; air conditioning and heating, and boat divisions.

Underwriting—Emanuel & Co. is named principal underwriter. Others will be named by amendment.

Offering—Price to the public will be supplied by amendment.

Proceeds—Net proceeds from sale of stock, augmented by funds currently allocated to the company's "Retirement Fund for Preferred Stock," and by general funds of the company to the extent required for the purpose, will be used to redeem all of the company's 128,000 outstanding shares of 5% cumulative preferred stock, which, upon the issuance and delivery by the company of the common stock registered, will, upon 15 days' notice, be called for redemption at the par value of $10 per share plus accrued dividends from June 1, 1943, to the date fixed for redemption.

Registration Statement No. 2-5156. Form S-1. (6-18-43).

Offered June 29, 1943 at $5.875 per share by Emanuel & Co., A. C. Allyn & Co., Inc., McDonald-Coolidge & Co., Van Alstyne, Noel & Co., Johnson, Lemon & Co. and associates.

BEATRICE CREAMERY COMPANY

Beatrice Creamery Company has filed a registration statement covering 91,317 shares of $4.25 cumulative preferred stock, without par value.

Address—1526 South State St., Chicago. Company expects to move its executive office to 120 South La Salle St., Chicago, on or about July 1.

Business—Company and its subsidiaries are engaged principally in the manufacture and sale of butter, ice cream, condensed milk, buttermilk, dried milk and cheese, the distribution of milk, eggs, frozen foods, oleomargarine, operation of cold storage plants, and in practically every branch of the dairy business.

Offering — The $4.25 cumulative preferred is offered for exchange by the company to the holders of its outstanding $5 cumulative preferred stock on a share for share basis. Holders of $5 cumulative preferred accepting the offer of exchange will receive the quarterly dividend, payable July 1, 1943, with respect to their shares of stock.

Underwriting—The shares of $4.25 cumulative preferred not exchanged have been underwritten. The underwriters are: Glore, Forgan & Co., Chicago; Hayden, Stone & Co., New York; W. E. Hutton & Co., New York; Mellon Securities Corp., Pittsburgh; First Trust Co. of Lincoln, Lincoln, Neb.; Central Republic Co., Inc., Chicago; Kebbon, McCormick & Co., Chicago; Lee Higginson Corp., Chicago; Wisconsin Company, Milwaukee; Bacon, Whipple & Co., Chicago; Blair, Bonner & Co., Chicago; Farwell, Chapman & Co., Chicago; G. H. Walker & Co., St. Louis; Boettcher & Co., Denver; Bosworth, Chanute, Loughbridge & Co., Denver; Maynard H. Murch & Co., Cleveland; Kirkpatrick-Pettis Co., Omaha, and Burns, Potter & Co., Omaha. Offering price to the public will be supplied by amendment.

Proceeds — Proceeds from sale of any stock to underwriters, with other funds of the company, will be used to effect the redemption on Oct. 1, 1943, of all of the then outstanding $5 cumulative preferred stock at $102.50 per share plus accrued dividends.

Registration Statement No. 2-5146. Form A-2 (5-27-43).

Registration statement effective 2:45 p.m. EWT. on June 16, 1943.

Public offering of unexchanged portion made June 29, 1943 at 102.50 per share, by Glore, Forgan & Co. and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, JULY 4

SEARS, ROEBUCK & CO.

Savings and Profit Sharing Pension Fund of Sears, Roebuck & Co. Employes and Sears, Roebuck & Co. have filed a registration statement for 20,000 memberships and 160,000 shares of capital stock, without par value, of Sears, Roebuck & Co.

Address—Sears, Roebuck & Co., 925 South Homan Street, Chicago.

Business—Profit sharing pension fund.

Offering—The 20,000 memberships in the pension fund represent the maximum estimated number of memberships which may be offered to eligible employees, during the 12 months following the effective date of registration statement, upon their becoming eligible for membership. The 160,000 shares of capital stock of Sears, Roebuck & Co. represent the maximum number of shares which, it is anticipated, may be purchased by the fund for its members during said period in accordance with the rules of the fund.

Purpose—To permit employees to share in the profits of the company; to encourage the habit of saving, and to provide a plan through which each eligible employee may accumulate his own savings. Company each year contributes to the fund certain moneys out of its net profits for the year and each member contributes a certain percentage of his salary or service allowance and these contributions, with other moneys received by the fund, are, if invested, invested in shares of the capital stock of the company. Recently certain funds were invested in obligations of the U. S. Government.

Registration Statement No. 2-5153. Form A-2 (6-15-43).

WEDNESDAY, JULY 7

OIL VENTURES CORPORATION

Oil Ventures Corporation has registered 3,000 shares of Class A capital stock, without par value, fully paid and non-assessable.

Address—19-21 Dover Green, Dover, Del.

Business—Organized under the laws of Delaware on April 27, 1943, for the purpose of engaging either alone or with others in any phase of the oil business.

Offering—Price to the public is $100 per share.

Underwriting—Tellier & Co., New York, is principal underwriter.

Proceeds—To be applied and used for any of the proper corporate purposes as its board of directors may determine. Statement says it is the purpose and objective of the management to be free at all times to take advantage of any condition or set of circumstances which, in its opinion, offers opportunity for profit to the corporation.

Registration Statement No. 2-5155. Form S-2. (6-18-43).

THURSDAY, JULY 8

UNITED WHOLESALE DRUGGISTS OF FORTH WORTH, INC.

United Wholesale Druggists of Forth Worth, Inc., has filed a registration statement for 5,000 shares of common stock, no par value.

Address—100 West Tenth Street, Wilmington, Del.

Business—Company is a new corporation organized March 25, 1943. It will engage in the business of selling drug store merchandise, other than that manufactured by United Drug Co. to its stockholders who will be the distributors of products of United Drug Co. While the corporation is being sponsored by United Drug Co., no control over its operations will be exercised by that company.

Offering—Common stock will be offered to retail druggists at $50 per share.

Underwriting — No underwriters are named.

Proceeds—Proceeds from sale of common stock will furnish to the company both operating capital and security.

Registration Statement No. 2-5157. Form A-2. (6-19-43).

SUNDAY, JULY 11

TWENTIETH CENTURY-FOX FILM CORP.

Twentieth Century-Fox Film Corp. has filed a registration statement for 100,000 shares of prior preferred cumulative stock, without par value. The dividend rate will be supplied by amendment.

Address—444 West 56th Street, New York City.

Business—Corporation is both an operating and holding company, having 36 active subsidiaries, 21 of which are foreign companies and all but two of which are wholly-owned. Engaged principally in the production and distribution of motion pictures of all kinds.

Underwriting—The underwriting group will be headed by Lehman Brothers, Blyth & Co., Inc. and Hayden, Stone & Co., all of New York.

Offering—Price to public will be supplied by amendment.

Proceeds—Net proceeds, together with other cash funds of the corporation sufficient to aggregate $13,000,000, will be used to purchase 1,044 shares of the outstanding capital stock of National Theatres Corporation, representing 58% of the outstanding capital stock of that corporation, the remaining 42% of which is already owned by Twentieth Century. The stock proposed to be purchased is now owned by the Chase National Bank of New York which has entered into an agreement with Twentieth Century under which the latter acquired the right to purchase such stock for the sum of $13,000,000. It is expected that the option will be exercised and the shares of National will be purchased concurrently with the delivery of the prior preferred stock to the underwriters. The statement says that in event this financing may be delayed or the management may deem it advisable to exercise the option prior to the consummation of the financing, the corporation may borrow $10,000,000 from certain banks in New York, and the proceeds to be received from the sale of stock may be used to repay such indebtedness.

Registration Statement No. 2-5158. Form A-2 (6-22-43).

TUESDAY, JULY 13

COMMUNITY PUBLIC SERVICE CO.

Community Public Service Co. has filed a registration statement for $6,850,000 first mortgage bonds, 3⅜% series due 1973.

Address—408 West Seventh Street, Fort Worth, Texas.

Business — Engaged primarily in the manufacture and purchase, distribution and sale of electricity and ice, purchase, production, distribution and sale of natural gas, and production, distribution and sale of water.

Offering—Price to public will be supplied by amendment.

Underwriting—Central Republic Co., Inc., Chicago, is named principal underwriter. Others will be supplied by amendment.

Proceeds—Proceeds from sale of the bonds, together with other funds of the company, will be used to redeem its outstanding first mortgage bonds which will require, exclusive of accrued interest, $7,202,700. This first mortgage bonds comprise $6,454,000 face amount of 4% series due 1964 redeemable at 105, plus accrued interest from March 1, 1943, to date of redemption, and $400,000 face amount of 4% bonds, second series due 1964, redeemable at 106½ plus accrued interest from March 1, 1943, to date of redemption.

Registration Statement No. 2-5159. Form S-1. (6-24-43).

WEDNESDAY, JULY 14

TWENTIETH CENTURY-FOX FILM CORPORATION

Twentieth-Century-Fox Film Corporation has filed a registration statement for 565,715 shares of preferred stock, $1.50 dividend cumulative, convertible, without par value. The shares are already issued and outstanding.

Address—444 West 56th Street, New York City.

Business—Corporation and its subsidiaries are engaged principally in the production and distribution of motion pictures of all kinds, including features, short subjects and newsreels, in various parts of the world, but primarily in the United States.

Underwriting—The shares of preferred stock registered are outstanding shares owned by the Chase National Bank of the City of New York. The names of the several underwriters who will purchase the shares will be supplied by amendment, together with the amounts to be purchased by each. The purchase agreement and price to be paid for the stock also will be covered by amendment.

Offering—Offering price to the public will be supplied by amendment.

Proceeds—Proceeds will go to the selling stockholder. The corporation will not receive any proceeds from the sale of the stock.

Registration Statement No. 2-5160. Form A-2. (6-25-43).

JACOB RUPPERT

Jacob Ruppert, a corporation, has filed a registration statement for $2,744,000 5% sinking fund debentures, due July 1, 1950.

Address—1639 Third Avenue, New York City.

Business—Engaged in the business of brewing and selling fermented malt liquors. Its principal product is lager beer sold under the name of "Ruppert."

Underwriting—First Boston Corp. of New York is principal underwriter. Names of other underwriters will be named by amendment.

Offering—Price to the public will be supplied by amendment. The securities are now outstanding and will be sold by six holders as follows: Estate of Jacob Ruppert, George E. Ruppert, Amanda E. Silleck, Manufacturers Trust Co., J. Ruppert Schalk and Anna C. A. Dunn. The company has now outstanding $2,996,000 face amount of 10-year 5% debentures, due July 1, 1950. It is proposed to modify the debentures without, however, extending the date of maturity or changing the interest rate thereof, changing the designation to 5% sinking fund debentures and providing other covenants. $252,000 face amount of the debentures, as modified, are to be retained by the holders.

Proceeds—The company is not directly to receive any of the proceeds from the sale of the securities. George E. Ruppert and Amanda E. Silleck have each agreed to apply the proceeds to be received by them, to the extent necessary, to repayment in full of their respective debts to the company, aggregating $766,229 face amount, plus interest from July 1, 1943, ($876,291 principal and interest at March 31, 1943.) The company proposes to add the proceeds so received to its general corporate funds.

Registration Statement No. 2-5161. Form A-2. (6-25-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

ALL AMERICAN AVIATION, INC.

All American Aviation, Inc., has filed a registration statement for 26,218 shares of convertible non-cumulative preferred stock, par $25 per share, and 131,090 shares of common stock, par $1 per share, to be reserved for issuance upon the conversion of convertible non-cumulative preferred stock into common stock.

Address—200 West Ninth St., Wilmington, Del.

Business—Present business is conducted by its two major divisions, Air Transport Division and the Manufacturing Division.

Underwriting—If any offering is made through underwriters their names will be supplied by amendment.

Offering — The preferred stock will be initially offered by the company for sale at $25 a share to holders of ten or more shares of company's common stock on the basis of one share of preferred stock for each full ten shares of common. The period within which holders of common stock may exercise their rights to subscribe to shares of preferred stock will expire ten days after the initial date of offering. Thereafter any remaining shares of preferred stock will be offered to the general public at $25 a share, or the company may offer any remaining shares to underwriters for sale to the public at $25 a share.

Proceeds — Will be applied to finance the company's operations under its contracts with the U. S. Government and to discharge certain of its outstanding obligations.

Registration Statement No. 2-5147. Form S-2. (5-28-43).

Registration statement effective 5:30 p.m. EWT. on June 21, 1943 as of 5:30 p.m. EWT. June 16, 1943.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage Bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed June 15, 1943, to defer effective date.

IOWA POWER & LIGHT CO.

Iowa Power & Light Co. has filed a registration statement for $17,000,000 first mortgage bonds, 3¼% series due June 1, 1973.

Address—312 Sixth Avenue, Des Moines, Iowa.

Business—Is a public utility engaged in the business of furnishing electric service in Polk County, outside the City of Des Moines and environs, and in 12 contiguous counties in Central Iowa, and furnishing gas service in the City of Des Moines and environs, and in two municipalities in adjoining counties.

Underwriting—Bonds are to be offered for sale at competitive bidding under the rules of the Commission. Names of the underwriters will be supplied by post effective amendment.

Offering—Price to the public will be supplied by amendment.

Proceeds—Bonds are to be issued as part of a series of interdependent transactions which include the acquisition by Continental Gas & Electric Co. of Iowa Power & Light Co. and Des Moines Electric Light Co. from Illinois Iowa Power Co. Proceeds from the sale of the bonds, together with a portion of funds to be received from bank loans aggregating $2,500,000, will be used to redeem on Sept. 1, 1943, a total of $11,232,000 face amount of the company's first mortgage bonds; to redeem on Oct. 1, 1943, 10,133 shares par $100 of the company's 7% cumulative preferred stock; to the purchase from Illinois Iowa Power Co. of $1,750,000 face amount of general refunding mortgage bonds, Series A, due 1955, and $3,000,000 of open account indebtedness of Des Moines Electric Light Co., $4,750,000; to partial payment for Iowa properties of Iowa-Nebraska Light & Power Co., $1,000,000 and for other corporate purposes.

Registration Statement No. 2-5138. Form S-1. (5-12-43).

Amendment filed June 16, 1943, to defer effective date.

METALES DE LA VICTORIA, S. A.

Metales de la Victoria, S. A. has filed a registration statement for 1,000,000 common shares and production notes in the aggregate sum of $500,000, lawful money of the United States of America.

Address—406 Valley National Building, Tucson, Ariz.

Business—Organized under the laws of Mexico on Oct. 23, 1942, for the purpose of engaging in the busines sof acquiring, exploring, developing and operating mining properties in Mexico, and the milling and marketing of ores and concentrates therefrom.

Underwriting—Offering will be made direct to the public by the company, and to brokers and dealers for their own accounts or as selling agents of the company.

Offering—Offering consists of 50,000 units, a unit consisting of a production note in the face amount of $10 and 20 shares of common stock, price per unit $10, lawful money of the United States of America.

Proceeds—For development, purchase of equipment, etc.

Registration Statement No. 2-5151. Form S-3 (6-11-43).

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

Amendment filed June 10, 1943, to defer effective date.

PRESIDENT APARTMENTS CORP.

President Apartments Corp. has registered with the SEC $336,333 of first mortgage 4½% real estate bonds and warrants due July 1, 1955, and certificates of deposit representing $336,333 of first mortgage 5% real estate bonds and warrants due July 1, 1943.

Address — 1630 Boatmen's Bank Building, St. Louis, Mo.

Business—Apartment building.

Purpose—It is proposed to issue certificates of deposit to the holders of the first mortgage 5% real estate bonds and warrants due July 1, 1943, and, upon the consummation of the plan of extension and revision of the bond issue, to issue in lieu and instead of such certificates of deposit said first mortgage 4½% real estate bonds and warrants due July 1, 1955, which will be created and issued by the execution and delivery of an extension and revision agreement, the stamping of said first mortgage 5% real estate bonds and warrants due July 1, 1943, with an appropriate legend, and affixing of new coupon sheets.

Registration Statement No. 2-5140. Form S-1 (5-18-43).

Registration statement effective 3:30 p.m. EWT. on June 24, 1943 as of 5:30 p.m. EWT. on June 6, 1943.

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed June 26, 1943, to defer effective date.

(This list is incomplete this week.)

HAnover 2-0050 Teletype—N. Y. 1-971
Firm Trading Markets
BOLIVIAN BONDS
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The Business Man's Bookshelf

BALTIC STATES AS A BRITISH MARKET IN THE PAST AND FUTURE—Dr. V. Raud, former Commercial Counsellor and Consul-General for Estonia in London—Paper.

CARE OF CHILDREN UNDER FIVE IN WAR TIME (England and Wales)—British Information Services—30 Rockefeller Plaza, New York City—Paper.

COTTON IN THE POST WAR WORLD—Transcript of proceedings of the National Cotton Conference-Forum in Memphis, Tenn., April 29, 1943—New York Cotton Exchange—Paper.

DECENTRALIZATION OF SECURITIES EXCHANGES, THE—Jacob O. Kamm—Meador Publishing Company, Boston, Mass.—Cloth—$2.00.

TAXING TO PREVENT INFLATION—Techniques for Estimating Revenue Requirements—Carl Shoup, Milton Friedman and Ruth P. Mack—Columbia University Press, Morningside Heights, New York—Cloth—$2.75.

United Merchants 5% Pfd. Offered Publicly

Lehman Brothers headed an underwriting group which offered, June 30, at $104 a share and accrued dividends, a new issue of 60,000 shares of United Merchants & Manufacturers, Inc., 5% cumulative preferred stock (par $100 a share). Associated with Lehman Brothers in the offering are: Blyth & Co., Inc.; Eastman, Dillon & Co.; Hornblower & Weeks; Stone & Webster and Blodget, Inc.; A. G. Becker & Co., Inc.; Hemphill, Noyes & Co.; Wertheim & Co.; J. S. Bache & Co.; Hallgarten & Co.; Merrill, Lynch, Pierce, Fenner & Beane; White, Weld & Co.; Dean Witter & Co.; R. S. Dickson & Co., Inc.; Mitchum, Tully & Co.; Riter & Co.; Schwabacher & Co.; Bear, Stearns & Co., and Piper, Jaffray & Hopwood. The proceeds of the financing will be used by the corporation for such purposes as providing certain of its subsidiaries with additional funds, modernization and improvement of manufacturing properties and plant equipment, and providing for post-war contingencies and possible post-war expansion. Specifically the directors intend to apply approximately $2,000,000 to purchase preferred stock from certain subsidiaries which will thereby be enabled to improve their capital position by reducing bank indebtedness.

The capitalization of the company outstanding upon consummation of this financing will consist of this issue of preferred stock and 574 shares of common stock (par $1 per share).

The preferred stock will have the benefit of a sinking fund commencing July 1, 1944, in an annual amount sufficient to redeem 3% of the greatest number of shares theretofore issued plus 5% of consolidated net earnings, after certain deductions. The aggregate annual amount, however, is not to exceed a sum sufficient to redeem 5% of the greatest number of shares theretofore issued. The redemption price for the sinking fund is fixed at $104 a share plus accrued dividends.

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Schoeneberger With Shields In Chicago

CHICAGO, Ill. — Charles A. Schoeneberger has become associated with the municipal department of Shields & Company, 135 South La Salle Street, it is announced. Mr. Schoeneberger came to Chicago from New York in 1936 as manager of the municipal department of Lehman Bros. and in 1938 joined Alfred O'Gara & Co. with whom he was associated until recently. He started in the municipal bond field with the New York office of the Mercantile Commerce Bank and Trust Company of St. Louis.

Survey Railroad Systems— Present & Future Prospects

E. W. Clucas & Co., 70 Pine Street, New York City, members of the New York Stock Exchange and other leading exchanges, have issued a 32-page booklet dealing with railroad reorganization securities, and containing a survey of five of the country's railroad systems showing the present status and future prospects of their bonds. Copies of this interesting booklet may be had from the firm upon request.

Also available from E. W. Clucas & Co. is a survey pointing out the post-war outlook for Federal Machine and Welder Co.

Stalin Renews Pledge To Poles

Renewed pledges of Polish cooperation with Soviet Russia in the war on Germany and of restoration of a strong and independent Poland were made on June 17 in an exchange of notes between the Union of Polish Patriots in Soviet Russia and Premier Joseph Stalin.

In Associated Press Moscow advices it was stated:

Premier Stalin's note, an answer to the union's promise of cooperation, declared: "You may rest assured that the Soviet Union will do everything possible to expedite the routing of our common enemy, Hitlerite Germany; to strengthen Polish-Soviet friendship and to contribute by every means to the restoration of a strong and independent Poland. I wish you success in your affairs."

For Dealers . . .
4 stocks with post-war prospects in the small Aeroplane, Home Laundry, Electronics and Television fields, selling between 3 and 4¾.
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The Great Man

By DR. FRANK CRANE

The great man feels with the people but does not follow them.

He maintains his independence of thought, no matter what public opinion may be.

He is quiet. He does not strive nor cry out.

He knows and trusts the cosmic spiritual forces and is not impatient.

He things clearly, he speaks intelligently, he lives simply.

His ethics are of the future, not traditional and of the past, nor conventional and of the present.

He always has time.

He despises no human being, nor any other creature.

He impresses you much as the vast silences of nature impress you, as the sky, the ocean, the desert.

He has no vanity. Seeking no praise, he is never offended. He always has more than he thinks he deserves.

He is teachable and will learn even from little children. He is not anxious to teach others.

He is not welcome in any sect, cult or party, for he is more desirous of understanding than of opposing the other party.

He is rarely elected to anything.

He works for the joy of it, not the wages.

He cannot retaliate, for he cannot descend to the level of them that love to do harm.

He lives in a certain self-sufficient aloofness, so that your praise or blame does not seem to reach him.

Yet his isolation is warm, and not cold. He is keenly alive to human relationships and influences. He loves. He cares. He suffers. He laughs.

When you find him it is as if you had found a real human being among myriads of animals. All of the simple, strong qualities of the normal soul shine in him, with no pettiness.

You feel that what you have, such as your money or position, is nothing to him, only what you are; and that if he likes you it will be not at all for anything you do, say or pay, but for what your soul is within you.

He is not deceived by the two arrant humbugs of the world, Success and Failure.

He changes his opinion easily when he sees his error. He cares not for consistency, which is the fetich of little minds, but for truth, which is the sum of great souls.

He believes that every man comes at last unto his own, and is not impatient.

Bitterness, cynicism, and pessimism, which are tempers of pettiness, he has not; but love, cheer, and hope abound in him, for these are always the by-products of greatness.

When you love him, you yourself become great; for there can be no greatness that is not the cause of greatness in others.

Kellett Aircraft Offers Ineresting Situation

The situation in Kellett Aircraft Corp., pioneer manufacturer of the "Helicopter and Giro" rotary-wing aircraft, offers attractive possibilities at the present time, according to an interesting circular issued by R. F. Gladwin & Co., 115 Broadway, New York City. Copies of this circular may be had from R. F. Gladwin & Co. upon request.

Okla. City Shawnee Interurban Interesting

The first fixed and income 6s, 1954, of Oklahoma City Shawnee Interurban Railway offer an interesting situation, according to a descriptive circular being distributed by Lilley & Co., Packard Building, Philadelphia, Pa., members of the Philadelphia Stock Exchange. Copies of this circular may be had upon request from Lilley & Co.

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BUY WAR BONDS

Dealers Now Use Radio

Hope & Co., San Diego Trust & Savings Building, San Diego, and Nelson Douglass & Co., 510 South Spring Street, Los Angeles, have been using the radio to reach the hitherto untapped reservoir of prospective investors who have not been reached by more conventional means. Their sponsorship of "Busy Money," a copyrighted program of Mutual Broadcasting system, available to one approved investment security house in each city where Mutual has an outlet, has brought them excellent results, they report. The program is not a tipster type—no individual securities ever being mentioned—but discusses industries, economic trends, investment principles, and the broad question of investment opportunities.

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The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office
Volume 158 Number 4190
New York, N. Y., Thursday, July 1, 1943
Price 60 Cents a Copy

The Financial Situation

For years past both the Administration and Congress have been sowing the wind. Both are now beginning to reap the whirlwind. Worse still, incriminations and re-incriminations, political maneuvers and counter-maneuvers, vindictiveness and ill-temper, gross lack of understanding of fundamentals and want of candor have so befuddled issues that neither the authorities nor the rank and file of the people are able to see clearly what is ahead of them or the reasons for the difficulties being encountered. The simple truth is that unfortunate policies, some of them pursued for a decade or more, are directly responsible for the disgraceful impasse now reached between Congress and the President—and for the extremely hazardous situation that has developed around the so-called "hold the line" campaign.

A Natural Outgrowth of Past Policies

No thoughtful man can well escape distress and deep uneasiness concerning the coal situation, yet it would be childish, or worse, to suppose that it arises simply from the evil genius of a man named John L. Lewis. Still more naive would it be to suppose that it can be adequately and permanently remedied by any such law as Congress has now taken to the statute books over the veto of the President. Worse yet is the idea of the President to amend the Selective Service law to make a sort of criminal statute of it for use in frightening or driving the men back to the coal pits. Such are remedies of baffled and indignant men who resort to the treatment of symptoms because either they do not understand the nature of the ailment with which they are called upon to deal, or else prefer, for one reason or another, not to come to grips with causes.

The trouble in the coal mines—and the very real if incipient difficulties smoldering among other groups of wage earners throughout the country, notwithstanding the pious protestations of Mr. Lewis' rivals—are a perfectly natural outgrowth of the labor policy of the Administration since the day it took office in 1933. In that policy Congress has repeatedly acquiesced, and in the main still apparently acquiesces. Consistently and continuously, unionism, often

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From Washington Ahead Of The News

By CARLISLE BARGERON

Here are some things that are running around Washington. We once thought we had a degree of analytical ability but frankly the situation is getting a little too hectic for us.

1. Washington correspondents returning from the meeting of Governors were impressed: A—All the Governors, Democrats and trend, the centralization of authority in Washington. (In the Detroit race episode, the President had just sent a message, before Federal troops moved in, before he had any authority in the premises, "ordering" the rioters to cease, to return to their homes, to be good.) It excited the Governors, added to their feeling against the Federal Government's encroachment on their preserves. They decided to do something about it. Heretofore, no resolutions have ever come from the conference which could be construed as of a political or partisan nature. The result is that they have been meaningless. The usual resolutions were brought in this time. But a Governor got up and said, in effect, oh nuts, let's quit talking and do something about it. From this there came a resolution severely denouncing the Washington control trend and the authority for the Governors' conference to set up a lobby here in Washington to combat this trend. The surprising thing is that the mover in this instance had no idea his proposition would be accepted. It was, unanimously. It remains to be seen whether the lobby will actually be set up, but the episode is related as a reflection of the Governors' attitute, as a reflection of the home front "revolution" which is going on.

Interesting also, is that the most unpopular Governor at the conference was Neely of West Virginia, who spoke about a fourth term for Mr. Roosevelt. All the other Governors had been careful to stay away from partisan politics.

The correspondents came away sold on the idea that Dewey is really sincere in his attitude that he is not a candidate for the Republican nomination. This may be either good or bad for the New York Governor's Presidential possibilities. Once the Washington propaganda mill comes to believe that a man is not a candidate they are inclined to drop their discus-

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The News Behind The News

By PAUL MALLON

Shed no tears for John L. Lewis, the triple-strike caller, who is supposed to have been put in his place again until Oct. 31.

Paul Mallon

The place he was put into is neither uncomfortable nor against his choice.

He and Interior Secretary Ickes got their heads together and adopted this course either at Ickes suggestion with Lewis agreeing or vice versa. They contrived a summer hiatus mainly as a cooling-off period for the War Labor Board.

It has not become generally known, but Mr. Ickes is involved in as deep and bitter a dispute with the Board as Mr. Lewis. Letters have passed between Enforcement Officer Morse of WLB and Ickes (or his right-hand man Abe Fortas) which are 10 degrees hotter than the unprecedented summer Washington climate.

* * *

Their correspondence has reached such a degree that many an inside rail-sitter suspects either Ickes or the Board will have to

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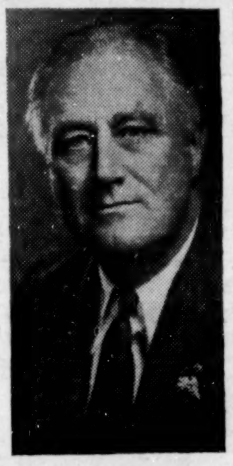
Congress Overrides President's Veto Of Anti-Strike Bill

Congress overrode President Roosevelt's veto of the Connally-Smith anti-strike bill on June 25 in one of the swiftest reversals ever handed the President.

Within two hours after the veto message had been read in the Senate, the drastic measure, designd to insure full war production, was enacted into law. The Senate overrode the veto by a 56 to 25 vote, while the House voted against the President by 244 to 108, both totals representing more than the required two-thirds majority. In the Senate vote for overriding, 29 Democrats were joined by 27 Republicans, while 19 Democrats, 5 Republicans and one Progressive favored upholding the Chief Executive. Making up the House vote to override the veto were 114 Democrats and 130 Republicans, while 67 Democrats, 37 Republicans and four minor party members upheld the President.



President Roosevelt

The Connally-Smith bill provides fines and imprisonment for persons instigating or aiding wartime strikes in Government-operated industries, and outlaws stoppages in other war plants without a ballot of the workers. The law also broadens the powers of the National War Labor Board.

In his veto message, President Roosevelt said the bill contained provisions which in fact "would foment slow-downs and strikes." Asserting that he is "unalterably opposed to strikes in wartime," Mr. Roosevelt said he recognized that the bill "has an entirely praiseworthy purpose to insure full war production," but stated he was convinced that Section 8 of the bill "will produce strikes in vital war plants which otherwise would not occur."

The President's principal objection was to Section 8, legalizing strikes in war industries not operated by the Government, provided a secret ballot of workers was taken and 30 days' notice given

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Bricker Favors U. S. Participation In Post-War Peace Organization

Declares Roosevelt Domestic Policy Contradicts Professed Foreign Policy

Governor John W. Bricker of Ohio, a prospective candidate for the 1944 Republican Presidential nomination, on June 24 declared himself in favor of American participation in a post-war international organization to preserve peace.

In an interview at Columbus, the Associated Press quoted Gov. Bricker as saying that "such an organization must not only attempt to solve difficulties when they arise but it must anticipate them and prevent recurring frictions between nations and peoples."

John W. Bricker

He added that whatever kind of peace-maintenance association of nations is worked out must be "satisfactory to all or it will not work."

The Associated Press dispatch further said:

As a member of the Republican post-war advisory council named to meet later in the Summer and formulate basic principles to recommend to the 1944 party platform makers, Gov. Bricker was asked what position he would take at this time on after-the-war collaboration with other nations.

He replied: "The United States will play its full part after the war to build a better understanding between nations, to preserve peace and to promote the best interests of the world.

"The desires of the people of the United States for better international relations must be implemented in a practical and constructive way."

The Governor did not go into detail as to what kind of organization he favored, saying only: "What that organization, association or method will be must be determined in the light of facts as they then exist."

This plan, he said, must be "worked out among the victorious nations."

Gov. Bricker further discussed on June 25 the world role the United States should undertake after the war, in an address at Milwaukee before the Wisconsin State Bar Association, at which time he declared that the position of this country in post-war world affairs depended on policies pursued at home. He stated that he joins with those who would "lend the strong arm of American help in the solution of world problems," leaving discussion of pos-

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The Financial Situation

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in its most aggressive and unreasonable manifestations, has been encouraged and nurtured by Administrative action and legislative enactment. Employers have been regularly denounced, abused, bedeviled, and made to appear thoroughly unworthy of consideration by the leaders of labor. Their rights have been repeatedly and unreasonably reduced, one by one, and their responsibilities continually enlarged. There has never been any effort, apart from the solicitation of "pledges," to place any sort of responsibility upon the wage earners, who, at the same time, have been granted one new "privilege" after another, and constantly urged to exercise them.

Effective Schooling in Ruthlessness

After such a schooling in shortsightedness, selfishness and ruthlessness it is hardly to be expected that wage earners will act with sweet reasonableness even at the request (or command) of their chief benefactor through the years. The particular crisis facing the country at the moment is in the coal mines, but let no one suppose that the unrest is confined to that industry. Leaders of the other unions, even while renewing their "no-strike pledge," have let it be known in no uncertain terms that unless retail prices are reduced, or "rolled back," as the jargon of the day has it, they will "demand" higher wages forthwith. The alleged relation between the cost of living and wages has all along been the basis of the demands of the coal miners. There is as little basis in actual fact for the assertions that members of other unions have suffered a loss of real wages as there is for Mr. Lewis' buffoonery about the "empty bellies" of the miners. No one who is familiar with the facts can possibly imagine that labor is not much better off so far as real wages are concerned than it was before the war, or for that matter has ever been. Even the Administration by implication admits that it is when it cites the "inflationary gap" in huge figures. If the great rank and file were not able to buy all the necessaries of life available to them, there would be no inflationary gap"!

Cutting Production

But the so-called "roll back" as planned by the Administration is not only unnecessary to protect the standard of living of the wage earner, but is gravely interfering with production and the normal distribution of goods. The President has become so obsessed with the fear of "inflation" that he is apparently unable to see the stark danger of a food famine he is inflicting upon the public through his clumsy efforts to control prices. The wage earner would starve quite as quickly if there were insufficient food in the markets as he would if he were without the funds with which to purchase what is there. The price structure is an intricate mechanism, each of its myriads of parts closely dependent upon the others. This is a large and highly variegated country. Any such ambitious plan as that revolving about "roll-backs," detailed price controls and subsidy payments is simply, and it appears to us, palpably administratively infeasible—even with the ablest and most disinterested management to be found in the length and breadth of the land. What would happen to it, and what would happen to the country once it is launched in full sway, given the political milieu in which it would be obliged to function, are subjects which it is not pleasant to contemplate.

Not Amenable to Improvisation

Obviously a situation developing out of basic conditions such as these is not likely to be greatly relieved by any such hasty legislative improvisation of the so-called anti-strike bill, which does not even attempt to get at the root of the difficulty. Neither will the state of affairs be greatly improved by so simple a device as denying the President funds for his ambitious subsidy program—although so far as it goes it appears to be a step in the right direction. Not much more than either of these steps or than both of them combined is required to set the state of affairs aright, or even greatly to reduce the hazards confronting the country.

Admittedly, the problem is a difficult one, made immensely more difficult by egregious errors of the past which cannot be recalled. It will be solved, if solved it is, by close, intelligent and constructive cooperation between the legislative and the executive branches of the Government. Legislation, for the most part probably in the nature of repeal or drastic modification of laws enacted during the past decade, is required, but mere legislation will not suffice. Bold modification of Administration policy along broad lines is called for, but it should have a solid foundation in law. A situation in which the White House pulls in one direction and Congress in another certainly will leave the country in a horrible mess. The need for a "get-together" of a constructive and intelligent sort is urgent. Another year of past and present policies would be disastrous.

Too Much Control

One of the basic assumptions of a jointly evolved program of relief from present embarrassments should be that there must be a drastic simplification and an even more drastic reduction in the over-all range of controls exercised by Government during the war. We have become intoxicated with the idea of controlling everything under the sun from Washington. Such a notion appears to have become inextricably interwoven in the public mind with the concept of "total war," and the determination to make our war effort as effective as possible. The habits and practices of the totalitarian governments, both allies and enemy, and those which probably have been unavoidable—and measurably effective—in England, lying adjacent to the actual war area, have done something to our thinking—have apparently robbed us of our common sense. Here is the real root of the difficulty, and here its remedy must begin.

"Administrative Chaos"

"No responsible person has proposed a food 'czar,' nor an Angel Gabriel. What large sections of the country and the House Agricultural Committee have demanded is a Food Administrator, acting within the laws passed by Congress and under the President. We need a manager, not a dictator.

"Nor is this a proposal of 'inflation.' Inflation in food prices cannot be stopped unless we have a single, responsible head over the inseparable functions of food production, distribution, prices, rations Government purchases, imports and exports.

"Today these agencies conflict, they disregard the existing laws and economic sense, and in the end they produce scarcity and higher prices. The consolidation of these functions under a competent administrator would check rising prices, should reduce the danger of inflation by assuring more production from the farmers, the abolition of profiteering black markets, local famines, wastes and stoppages, and would end the confusion in the distribution system.

"Nor does anybody propose to deprive the people of lower incomes of their full food, but, in fact, to get food to them—which is not happening in our seaboard cities today. For instance, there is abundant cattle on the range and no meat.

"All this can be accomplished without subsidies and all the sins and faults that lie in them. The continuation of this administrative chaos threatens the food to our cities, the food to our armies, the food to our Allies and the relief of post-war famine—in fact, the whole war effort"—Herbert Hoover.

It is unfortunate that petty politics stands in the way of "drafting" Mr. Hoover himself for this task.

The State Of Trade

Reports from most of the heavy industries last week were favorable, with the exception of steel. The retail trade continues to show outstanding gains for the week, with department stores showing sales rise of 28% over last year.

Another new record high was set last week in electric power production, generator output, as reported by the Edison Electric Institute, climbing to 4,098,401,000 kilowatt hours from 4,040,376,000 the previous week.

A year ago the comparable total was 3,433,711,000 kilowatt hours indicating power consumption is running 19.4% ahead of 1942 because of the demand from war industry, particularly aluminum and magnesium plants.

The Pacific Coast held its leadership in percentage gains from year-ago figures with a rise of 27.4%. Southern States demand was up 25.9% from last year.

Carloadings of revenue freight for the week ended June 19 totaled 868,241 cars, according to reports filed by the railroads with the Association of American Railroads. This was an increase of 13,755 cars over the preceding week this year.

This total was 125.11% of average loadings for the corresponding week of the 10 preceding years.

Steel operations this week will drop to the lowest rate for any week in the last two years because of suspensions occasioned by the coal strike, according to the American Iron & Steel Institute. Steel mills are expected to operate at 90.3% of capacity, off 7.3 points from the previous week, when operations were 97.6%. A month ago the indicated rate was 98.4%.

The current schedule is equivalent to production of 1,563,700 net tons of ingots and castings, compared with 1,690,000 in the preceding week, 1,704,000 a month ago and 1,639.200 last year, which included the July 4 holiday.

While the estimated loss of steel is small compared to the huge military demands, it approximates an entire month's allotment for essential uses.

The end of the coal strike reinstated WPB's drive for an increase of 1,000,000 tons in the July, August and September production of steel. It was announced that Donald M. Nelson, accompanied by Executive Vice-Chairman Charles E. Wilson and top officials of the WPB Steel Division, will visit Pittsburgh about the middle of this week in connection with the drive.

Civil engineering construction volume in continental United States totals $53,742,000 for the week. This, not including construction by military combat engineers, American contracts outside the country, and shipbuilding, is 22% above the preceding week, but 66% below the corresponding 1942 week, reports "Engineering News-Record."

Public construction gains 33% over a week ago, but is 67% below a year ago. Private construction is 49 and 58% lower, respectively, than last week and last year.

Current construction brings 1943 volume to $1,766,252,200, an average of $70,650,000 for each of the 25 weeks.

Department store sales on a country-wide basis were up 28% for the week ending June 19, compared with the same week a year ago, according to the Federal Reserve Board.

Store sales were up 24% for the four weeks ending June 29, compared with the same period a year ago.

Department store sales in New York City in the week ended June 26 were 7% larger than in the corresponding week of last year, according to a preliminary estimate made by the Federal Reserve Bank of New York.

In the previous week ended June 19 sales of this group of stores were 18% better than in the comparable 1942 week.

With prospective 1943 corporation earnings forming the basis for any new corporate levies that the Administration might propose in the forthcoming revenue measure, the Department of Commerce revealed that its forecast for the next six months indicates that total corporate earnings before taxes in 1943 may reach a level of $25,000,000,000.

The Department estimated that the before-taxes profits of corporations will be reduced to $8,000,000,000 if present corporate taxes remain substantially unchanged. This contrasts with some $6,900,000,000 during 1942 remaining after taxes. Profits in 1942 before taxes, were $18,800,000,000.

Advices from Washington state, that while the indications are that additional levies will not be made on 1943 earnings, there is little doubt that the position in which business remains after 1943 taxes would importantly influence the approach to increases which might be proposed for 1944. Legislation enacted later this year, would in all probability be made effective for 1944 income, statements of Administration officials and legislators have indicated.

Gas Utility Revenues Gain In Quarter

Manufactured and natural gas utility revenues amounted to $326,519,400 for the first three months of 1943, as compared with $306,462,400 for the corresponding period of 1942, an increase of 6.5%, it was announced on June 24 by the American Gas Association.

The manufactured gas industry reported revenues of $119,840,600 for the first quarter, an increase of 6.7% from the same period of the preceding year. The natural gas utilities reported revenues of $206,678,800 or 6.5% more than for the first three months of 1942.

Total sales of manufactured gas for the first quarter were 137,386,900.000 cubic feet, an increase of 8.3%. Natural gas utility sales for the period amounted to 578,713,400,000 cubic feet, an increase of 10.0%.

Manufactured gas sales for industrial uses increased 26.8% over the first quarter of 1942. Sales for domestic purposes such as cooking, water heating, refrigeration, etc. were 5.7% above the same period of the preceding year. Sales for house-heating purposes gained 5.7%, commercial uses decreased 2.6%.

Natural gas sales for domestic purposes showed an increase of 4.7% while industrial sales gained 12.2%.

WFA Labor Office Created

The War Food Administration has announced the establishment of an Office of Labor, thus centralizing all WFA labor programs in one agency. In Washington advices to the "Wall Street Journal" of June 24 it was stated:

"All the personnel, property and funds necessary to carry out the work of the new office will be transferred from the WFA agencies (with the exception of the extension service) previously concerned with labor programs. Col. Philip G. Bruton, former recruiting chief of the labor administration, is the new deputy administrator in charge of labor, the WFA said."

C. C. Davis Resigns As Food Administrator; Marvin Jones Is Appointed Successor

Chester C. Davis, who was "drafted" by President Roosevelt three months ago as War Food Administrator, was relieved of his responsibility on June 28 at his own request, saying that he could not wholeheartedly support the Administration's program for holding down the cost of living.

Mr. Davis's resignation was announced in an exchange of letters between Mr. Davis and Mr. Roosevelt.

The President appointed Judge Marvin Jones of the U. S. Court of Claims as his successor. Judge Jones, who is on leave from his judicial post to serve in an advisory capacity to the Office of Economic Stabilization, was a former member of the House of Representatives and served as head of the Agriculture Committee. He was Chairman of the recent United Nations Conference on Food and Agriculture at Hot Springs, Va.

In his letter of resignation dated June 16, Mr. Davis told the President that while he had responsibility over food, the authority, "not only over broad food policy but day-to-day actions, is being exercised elsewhere." He also expressed belief that the President's program to use subsidies to hold down food costs to consumers would not be effective in controlling inflation unless it were accompanied, as in England, "by current tax and savings programs that drain off excess buying power, and by tight control and management of the food supply."

Therefore Mr. Davis asked to be relieved as soon as he had launched the 1944 food-production program and a broad food-educational program, which he estimated would be under way "before the middle of July."

The President in his reply said he was "truly sorry" that Mr. Davis was unable to continue as Food Administrator, but rejected his offer to stay on temporarily to determine and announce the 1944 food-production program.

Mr. Roosevelt took issue with Mr. Davis's complaint of divided authority. He pointed out that before Mr. Davis had accepted the office of Food Administrator he had set up the Office of Economic Stabilization and empowered the Director to settle any disputes arising between the food and price administrators.

Observing that stabilization extended to rent, clothing and wages as well as food, the President said:

"If we are to stabilize all prices, we must place the final responsibility in one official. I know of no better method of coordinating the work of the Food Administrator and the Price Administrator, although that method does require a willingness on the part of both administrators to accept the decisions of the Stabilization Director."

Mr. Roosevelt said that he agreed with Mr. Davis on the need of a tax and savings program to enforce the price and rationing programs, but he said that he could not sit back and fail to advocate other measures, "such as limited consumers' subsidies," just because Congress had not provided the tax legislation he had requested.

"Of course you know," Mr. Roosevelt added, "that I also favor and have advocated such support programs and incentive payments to producers as will enable us to obtain the necessary war production."

The President, referring to subsidies, denied that he had proposed broad, general subsidies and said he had expressed favor only for limited payments to maintain farm prices and hold down consumer prices. He said that he had stated his willingness to consider any other program that would accomplish these aims but "none has been offered me."

Mr. Davis was appointed Food Administrator on March 25, receiving a leave of absence from his post as President of the Federal Reserve Bank of St. Louis (this was noted in our issue of April 1, page 1215). He had previously served for several years as Director of the Agricultural Adjustment Administration.

The text of Mr. Davis's letter follows:

Dear Mr. President:

Some time at your convenience I should like to discuss fully with you the future direction of the food program. After I have completed two undertakings, I should like to be relieved of my present responsibility. The two unfinished jobs that I should carry further before leaving are:

1. Rounding out and announcing the general 1944 food-production program, and
2. Holding three meetings in New York, Chicago and San Francisco, that are essential in launching the broad food educational program.

These major programs should be well shaped up and under way before the middle of July.

Two main causes have brought me to the reluctant conclusion that I will not be able to serve you satisfactorily in my present capacity:

1. I find that I have assumed a public responsibility while the authority, not only over broad food policy but day-to-day actions, is being exercised elsewhere.
2. You must have in my position a man who can wholeheartedly advocate and defend the program of broad general subsidies you announced on June 15. I cannot do this for the reason that I do not believe such subsidies will be effective in controlling inflation unless they are accompanied here, as they are in England, by current tax and savings programs that drain off excess buying power, and by tight control and management of the food supply. We do not have in this country anything approaching these conditions.

Respectfully yours,
CHESTER C. DAVIS.

Following is the President's reply:

Dear Chester:

I have given a good deal of thought to your letter of June 16, and your request to be relieved of responsibility for the future direction of the food program.

No one appreciates more than I do your ability in dealing with agricultural matters. But I am sure that you will agree with me that effective teamwork is absolutely necessary.

Before the Office of Economic Stabilization was established, differences as to prices and wage policies from time to time arose between the various war agencies which frequently had to be brought to me. The Act of Oct. 2, 1942, directed me to stabilize the cost of living so far as practicable on the basis of the levels prevailing on Sept. 15 and authorized me to exercise my authority through such department, agency or officer as I might direct.

Under that act, and before you accepted the office of Food Administrator, I set up the Office of Economic Stabilization and authorized the Director, among other things, to resolve disagreements which might arise between the Food Administrator and the Price Administrator and to issue to them policy directives. If we are to stabilize all prices, we must place the final responsibility in one official. I know of no better method of coordinating the work of the Food Administrator and the Price Administrator, although that method does require a willingness on the part of both administrators to accept the decisions of the Stabilization Director. The country realizes that stabilization applies not only to food but to many other things, such as rent, clothing and wage decisions. The broad objective is, of course, to prevent the cost of living from spiraling upward and the purchasing power of the dollar from spiraling downward.

I agree with you that we cannot fully or effectively enforce our price or rationing programs or fully or effectively stabilize the cost of living without an adequate tax and savings program to drain off excess purchasing power. I have emphasized that fact in my budget message, in my statement on the hold-the-line order and on other occasions. But because the Congress has not yet provided the tax legislation I have requested, I cannot sit back and fail to advocate other measures, such as limited consumers' subsidies, which I am convinced can help to prevent the cost of living from getting completely out of hand. Of course, you know that I also favor and have advocated such support programs and incentive payments to producers as will enable us to obtain the necessary war production.

I think you will also realize that I did not announce a program of broad general subsidies at my press conference on June 15. I stated my views on limited subsidies in order to maintain farm prices and hold down consumer prices, and stated my willingness to give full and sympathetic consideration to any program which would accomplish these two ends. None has been offered me.

I am truly sorry that you feel unable to continue as Food Administrator, subject to the coordinated controls which I have established, and which I believe essential for the proper functioning of our war effort. But it would be unfair to you to insist that you remain in your position when you feel that, all things considered, you cannot wholeheartedly support a program to hold down the cost of living.

There can be no disagreement on the program for 1944, which you recently discussed with me. Everybody is agreed that far greater efforts must be made to increase production next year.

However, the result of such a program for crops maturing in 1944 will not make itself felt until at least a year from now. What I am concerned with is the objective of keeping the cost of essential foods down for the next 12 or 14 months. That, it seems to me, is of immediate concern to the country. The pay envelopes of tens of millions of our citizens will not compensate them for great increases in their food bills.

In regard to the program for next year, I do not think that it would be advisable for you finally to determine and announce it. Whoever takes over as Food Administrator would then be called on to administer a program which he had no part in determining. That would really be a case of dividing authority.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

With War Finance Group

W. Randolph Burgess, Chairman of the War Finance Committee of New York State, announced on June 22 that E. F. Dunstan, Vice President of the Bankers Trust Co.; Harold A. Sutphen, Vice President of the J. Henry Schroder Banking Corp., and Gail Golliday, Vice President of Bonbright & Co., have been added to the Banking and Investment Division of the Committee.

The new appointees will assist Eugene R. Black, Vice-President of the Chase National Bank, on leave, who is Director of the Banking and Investment Division.

Allied Food Conference Ruled Out Idea Of Any Nation 'Playing Santa Claus,' Says Jones

Judge Marvin Jones, Chairman of the United Nations Conference on Food and Agriculture, made a report to the House Agriculture Committee on June 22 regarding the work done at the meeting held at Hot Springs, Va.

In his statement, Mr. Jones said the conference "was the first step in an effort to get the nations of the earth to work together in time of peace as necessity compels them to work together in time of war." He said the delegates to the food conference "believed somehow, somewhere, conditions can be so fashioned that every able-bodied person will have a chance to earn what he needs to eat and be able to secure enough of the right kind of food for life and health. That is a very simple idea, but it has never been realized. The most important thing in the world is to make it a fact."

Stating that the conference's recommendations were limited to "basic fundamentals," Mr. Jones added:

"Let it be understood at the beginning that these various recommendations do not carry with them the idea of any nation playing the part of Santa Claus. No nation is wealthy enough to do this, and besides, it is not a sound method of building a strong people. It was therefore recognized in the Declaration that the building of its own resources and the taking care of the needs of its people are the primary responsibility of each country. But it was also recognized that by exchanging information, lending a helpful hand, treating each other as neighbors rather than as hereditary enemies, and by working together along common-sense, practical lines, we can all help each nation to help itself. What people want is not a free ride but a free opportunity—the chance to work and help to build."

Mr. Jones summarized the various recommendations of the conference, among them a freer exchange of agricultural commodities and "expanded production for expanded use rather than limited production for limited use of the products of both farm and factory."

Expressing the hope that "the foundations have been laid for better living conditions in all countries, and that the action taken will tend to promote enduring peace for the nations of the world," Mr. Jones concluded:

"War conditions have shown that full employment can be had. There is no reason why that cannot be continued in a world of peace. Through expanded production, full employment and complete use, world conditions can be built in such a fashion that for the first time, every man everywhere will know that he can earn enough to eat. If we can win security from hunger for all men, we can win for freemen security from the rise and aggression of tyrants. If we can win freedom from want we can make all men strong enough to be free.

"If the peoples of the earth can be better fed and enjoy better health; if we can provide full employment and full production and distribution of the products of both the farm and the factory; if we wisely use and truly conserve the natural resources of the earth—if we do these things we will not only provide the highest standards of living the world has ever known, but we will lay the foundation for a lasting peace."

New Deal Destroying Vitality Of America, Rep. Dirksen Declares

The collectivist Marxist philosophy of the New Deal is destroying the vitality of America and is in grave danger of leaving this republic so weak that it cannot meet its post-war problems and obligations, Representative Dirksen of Illinois warned on June 26, said David Cameion, of the Washington Bureau of the New York "Journal-American," in a special dispatch to that paper on June 26 and in which he further stated:

"The essential problem faced by Congress is greater than the question of subsidies, greater than the Office of Price Control or any other individual bureau.

"The great issue is the executive versus the legislative. It is going to plague us from here on out, and I am greatly disturbed.

"It is a question whether the President is above the law or amenable to the law. The very fact that in the last ten years there have been 3,600 executive orders as against the 4,500 public laws passed by the Congress is some indication of the power that has been arrogated to the executive branch at the expense of the legislative branch."

He warned that it is a part of a design that has occurred before in the history of the Republic: that Alexander Hamilton, Woodrow Wilson and Theodore Roosevelt all had tried to strengthen the executive branch, and Dirksen asked:

"What shall it profit us to gain freedom for the whole world and lose constitutional government at home?"

The encroachment of the executive, he said, is "tragic business," and he warned that it is growing day after day.

Speaking of subsidies, Dirksen said:

"They will be a part of the whole collective pattern, a part of the socialization pattern.

"And when we are pretty well on that road, what will be our condition, what will be our capacity for dealing with the big problems of the nation and the world when the war is over?

"It is easy to talk about the 'Four Freedoms' and to talk about elevating the condition of 400,000,000 or 500,000,000 people throughout the world. But do 130,000,000 people have the capacity?"

They might, he said, if "the very integrity of the republic is maintained," and he continued:

"A collective ideology cannot do it."

Cullen Quits NY Ins. Dept.

Thomas J. Cullen, Acting New York State Superintendent of Insurance, has announced the retirement from the Department of J. LeVerne Wood, Chief of the Complaint Bureau. Mr. Wood was appointed an examiner by former Superintendent William H. Hotchkiss on Dec. 22, 1909. A few years later the Complaint Bureau was formed and Mr. Wood became its first chief in 1913.

In announcing the retirement, Mr. Cullen said, "Mr. Wood has served the Insurance Department and the people of this State over a period of 34 years. As Chief of the Complaint Bureau he has probably had more contacts with the public than any other person in the Department. During that time his characteristics of honesty and devotion to duty have served him well in carrying on the work of the Bureau. Through his retirement the State has indeed lost a conscientious and loyal servent."

President To Ask Rise In Draft Age To 65 To Prevent Future Work Stoppages

President Roosevelt, in describing the action of the United Mine Workers' leadership as "intolerable," indicated on June 23 that he intends to ask Congress to raise the draft age limit for non-combat service to 65 years in order to have available machinery for prompt action against future work interruptions.

It was stated in United Press accounts from Washington on June 24 that Congressional reaction to President Roosevelt's proposal to raise the draft-age limit to 65 years and to draft strikers indicated that the suggestion would meet stiff opposition, in and out of Congress. The advices further stated:

Among those objecting to the use of the army as punishment were Chairman Harry S. Truman (D., Mo.) of the Senate committee investigating the war effort; Representative Howard W. Smith (D., Va.), co-author of the anti-strike bill, who thinks it would be "an insult to soldiers on the battlefield," and Representative Forest A. Harness (R., Ind.) who called it a "slave labor" plan.

Others, including Representative William Colmer (D. Miss.) and Senator Harry F. Byrd (D., Va.) however, approved the plan, calling attention to "work-or-fight" bills they have introduced.

From the mine fields the reaction generally was one of resentment, with thousands of miners refusing to return to the pits.

The text of the President's statement on the coal mining situation follows:

"It is a good thing that the miners are returning to their work. This is the third time within a short period that the production of coal has been interrupted.

"As a result of these three interruptions war production has been slowed down.

"Aside from United Mine Workers' coal mining, the making of war munitions and supplies has gone ahead extremely well. Aside from United Mine Workers' coal mining, the no-strike pledge by organized labor has been well kept, the few small unauthorized strikes which have occurred having affected only a very small fraction of 1% of production.

"The action of the leaders of the United Mine Workers coal miners has been intolerable—and has greatly stirred up the anger and disapproval of the overwhelming mass of the American people.

"The mines for the time being, of course, will continue to be operated by the Secretary of the Interior under the executive order of May 1. The terms and conditions of employment will be those announced by the National War Labor Board in its directive of June 8. There has been no promise or commitment by the Government to change those terms and conditions in any way.

"Before the leaders of the United Mine Workers decided to direct the miners to return to work, the Government had taken steps to set up the machinery for inducting into the armed services all miners subject to the Selective Service Act who absented themselves without just cause from work in the mines under Government operation.

"As the Selective Service Act does not authorize the induction of men above 45 years into the armed services, I intend to request the Congress to raise the age limit for non-combat military service to 65 years. I shall make that request of the Congress so that if at any time in the future there should be a threat of interruption of work in plants, mines or establishments owned by the Government, or taken possession of by the Government, the machinery will be available for prompt action."

Foreign Policy 1944 Issue Says Clare Luce Calling New Deal Dead On Home Front

Representative Clare Boothe Luce (Rep., Conn.) told Wisconsin Republicans on June 27 that the New Deal reputation was dead on the home front and that President Roosevelt could only survive it by convincing the people that his foreign policy was sound.

In giving the keynote address before the Republican State convention at Appleton, Wis., Mrs. Luce said that the Federal administration had offered only a false security and that Americans would demand a post-war victory that would guarantee a "free and ever expanding economy."

Republicans have met the challenge in Wisconsin, Mrs. Luce asserted, and declared she was confident that they would do it nationally.

In Associated Press accounts, the following was also reported:

Mrs. Luce said the Roosevelt administration has established a "charity government."

"Charity is what you are given when you don't get justice. Then you get doles, handouts, WPA-ism, special subsidies and special benefits to the favored and special groups within the economy."

She declared that government bureaucracy had become "one of the most unpopular tyrannical systems that had ever been set up in the nation."

"Today what all Americans want from the cradle to the grave is real opportunity—not the New Deal's false security. Today, what all Americans will demand is a victory which, in a post-war America governed by just men and just laws, will guarantee us the free and ever extending economy of which this greatest of nations is capable.

"This is the challenge to the Republican party and I believe that the 1944 Republican party will meet it. It will become the majority party in the nation as you are in this State already."

Mrs. Luce said that she understood there was some question in Wisconsin about the "isolationists" and the "interventionists."

"If an isolationist is or was a man who wanted to stay out of the war, then I am an isolationist and so, I believe, was everybody in the United States before Pearl Harbor," she said.

"If we Republicans are going to be smeared because we refuse to accept Mr. Roosevelt's foreign policy, we had better discover quickly what it is we are being smeared for. We had better examine Mr. Roosevelt's foreign policy closely and at once, because if the New Deal is re-elected, this is the issue it will be re-elected on.

"The New Deal is dead so far as its reputation on the home front goes. It can only survive if it can convince the people that its foreign policy is and was sound.

"This is cannot do, because the New Deal had no positive foreign policy and has none now, except that it is borrowed temporarily from our British cousins. While that is better than nothing, it is still, for the United States, second best.

"Let us once and for all face this fact. The same philosophy of charity as government which has inspired the New Deal at home will inspire the New Deal abroad.

"W. P. A. at home will become W. P. A. abroad. Washington bureaucracy will become world bureaucracy, and all will be run overseas with the same juggernaut inefficiency with which it has been run at home.

"Above all, I have said that the time has come for the Republican party to stop defending itself against the name 'isolationist'—by development of the strong, realistic, common-sense American foreign policy which will then become the foundation of a world peace policy that all nations can embrace because they can understand it."

Gov. Bricker Seen In Race For Presidency

Gov. John W. Bricker's Milwaukee speech June 25 advanced him from the realm of a 1944 Republican Presidential "possibility" to the status of an "undeclared candidate" for the nomination, it was agreed in political circles, in the opinion of Carl Turner, International News Service Staff correspondent, who in advices from Columbus, Ohio, June 26, published in the New York "Journal-American," further indicated his views as follows:

"Any doubt existing before that Governor Bricker, at the time he considered propitious, would throw his hat into the ring, was erased by his straightforward discussion of foreign and domestic affairs before the Wisconsin Bar Association.

"Already there have been repercussions. In Cincinnati, friends of Mayor James Garfield Stewart, who has gubernatorial ambitions, declared the tenor of the Bricker speech paved the way for Stewart to seek the Republican nomination for Governor next spring.

"Governor Bricker must seek renomination for a fourth term in the Ohio May primary election, or step aside and open the field to all comers. He could enter the gubernatorial primary whether or not he expected to win the Presidential nomination, for the party national conventions come along a month or two later."

Rubber Mismanaged Says President O'Neil

According to a United Press dispatch from Houston, Tex., William O'Neil, President of the General Tire & Rubber Co., in charging that the New Deal has "grossly mismanaged" the allocation of rubber, on June 26 asserted that "there is no question that we could remove gasoline rationing for all passenger automobiles except in those areas where actual shortages of gasoline exist.

Mr. O'Neil added: "The rubber companies could keep all of them on the road with tires made of 100% reclaimed rubber. At 35 miles an hour, those tires would run from 7,500 to 10,000 miles."

Heads Financial Librarians

At the business meeting of the Financial Group of the Special Libraries Association, in New York City on June 24, Ruth Miller, Librarian of the Central Hanover Bank & Trust Co., New York, was elected Chairman of the group, succeeding Mary P. McLean, Librarian of the American Bankers Association. Vera Knox, Librarian of The Tax Foundation, was elected Vice-Chairman, succeeding Miss Miller and Margaret Siegmund, Librarian, Bankers Trust Co. of New York, was reelected Secretary-Treasurer. Dr. Paul F. Cadman, Economist, American Bankers Association, and J. H. Riddle, Economic Advisor, Bankers Trust Co., addressed the Financial Group of the Special Libraries Association at its Wartime Conference.

U. S. Chamber Of Commerce Offers Nine-Point Plan To Preserve Free Economy

The Chamber of Commerce of the United States outlined on June 26 a nine-point program for the year. The program is grouped under three general headings as follows: Winning the war; preparing for victory, with attention both to the transition period and post-war reconstruction; and a long-range goal for preservation of competitive enterprise and representative democracy.

The nine subjects under these groups, according to advices June 26 to the New York "Herald Tribune" from its Washington bureau, follow:

"1. Federal Fiscal Affairs: Campaign to secure a regime of taxation and finance that will include the principles necessary to war finance and to post-war reconstruction, and to assure economy in government.

"2. Prices and Rationing: Formulate a constructive program for effective price controls, without subsidies, and with minimum disruption of established business usages.

"3. Controls: Formulate policies and work for Congressional action to provide now for the orderly removel of unnecessary controls in the interest of a stable transition period.

"4. Renegotiation of Contracts: Continue to work for needed changes and for the principle of major dependence on revenue laws to recapture unreasonable earnings.

"5. Management - Labor: Take leadership in protecting the respective interests of management and labor through mutual agreements on their rights and responsibilities and through law.

"6. Social Security: Define a social security program that can and will be supported by American business.

"7. Termination and Settlement of Contracts: Work to secure prompt settlement of terminated contracts so that industry may proceed without uncertainties to normal production and employment.

"8. Disposal of War Plants and Surpluses: In co-operation with governmental agencies, develop measures for the orderly liquidation of war plants and surpluses without unduly retarding resumption of normal business operations and employment.

"9. World Economics: Analyze and report on proposals that may affect business in governmental discussions of peace conditions and take steps to see that American enterprise is safeguarded at the peace table."

In making public the program, Eric A. Johnston, President of the Chamber said:

"The United States Chamber embraces within its membership more than 1,800 national, regional, state and local business men's organizations. It speaks for nearly 1,000,000 business men who make up the membership of these organizations. It was created to ascertain and make known business opinion on problems that must be solved to make possible an orderly conduct of our economic affairs. Its duty is to deal boldly with issues involved in the attainment and preservation of a free competitive economy and with the preservation of representative democracy. To accomplish its objectives may mean that it fights to maintain a satisfactory status quo; or it may mean that it works for necessary readjustments to enable business to meet new demands. The motto of the Chamber is: 'If it is not for the good of the public, it is not for the good of business'."

President Favors Food Subsidies But Rejects Plan For Food 'Czar'

President Roosevelt told his press conference on June 15 that he had no intention of creating a "czar" with over-all powers over food matters and defended the use of subsidies to hold down food costs to consumers.

The President said that if Congressional critics of subsidy payments know of a better way to combat inflation they should offer it.

Mr. Roosevelt had been urged by Congressional delegations to vest all powers over food problems in a single administrator.

In his press discussion of inflation and food prices, these major points were developed, according to the Associated Press:

1. He expects the Office of Price Administration (OPA) to go on as it has been. He repied with a flat no when asked if it is to be "split up."

2. There have been delays, Mr. Roosevelt acknowledged, in handling food and other matters as a result of divisions of authority, but he said he expected the new Office of War Mobilization (OWM) to co-ordinate the work of all and eliminate delays.

3. While strongly supporting the idea of subsidies, Mr. Roosevelt said he thought he would not send Congress a message on the subject because the legislators already knew that was one way to buck inflation. If they had a better way, he said, they could come out with it.

In discussing subsidies, the President spoke of $1,500,000,000 to $2,000,000,000 as the possible cost, but said these were just figures he had taken from the newspapers. But assuming they were correct, he said, that would be only 1½ to 2% on a $100,000,000,000 cost of the war.

Dr. Parmelee Says High Rail Earnings Face Slump

Dr. J. H. Parmelee, Director of the Bureau of Railway Economics of the Association of American Railroads, in testifying at a hearing held before the Emergency Board of the National Railway Wage Panel in New York City, on June 28 declared that "the present high level of railroad traffic and earnings is of a temporary nature," according to the New York "Times." He is also quoted as saying that "as soon as the abnormal stimulus of the war effort is withdrawn, traffic due to war activity will rapidly decline to the vanishing point, while other traffic will be subjected to more intensive competition than ever before." Dr. Parmelee was the first witness in behalf of the railroads. The five large Railroad Brotherhoods are seeking a 30% wage increase for nearly 400,000 railroad workers.

A backlog of deferred maintenance has been piling up to be taken care of in future years "because of shortage of critical material and the pressure on railroads in 1942 and 1943 to handle the heavy traffic thrust upon them by the war," Dr. Parmelee stated.

He added that it was "entirely probable that the net railway operating income for the second half of 1943 will fall below that of the corresponding period of 1942."

Congress Overrides Veto Of Anti-Strike Bill; One Of Swiftest Reversals Ever Given FDR

(Continued from first page)

before a strike was called. He passed off as irrelevant a prohibition against political contributions by labor organizations.

Mr. Roosevelt said he would have approved the bill had it been limited to the first seven sections—giving him statutory power to seize war facilities, providing for maintenance of existing terms and conditions of employment except as directed by the War Labor Board, levying fines of $5,000 and imposing one-year prison sentences on persons instigating, directing or aiding a strike in a Government-operated plant or mine, and giving statutory standing to the War Labor Board.

The President said he favored a direct approach to insure the continuity of war work and recommended amending the Selective Service Act so that persons up to 65 years of age may be inducted into noncombat military service.

Passage of the anti-strike bill and the action of labor in urging a veto of the measure were reported in our issue of June 17, page 2287.

The text of the President's veto message follows:

"I am returning herewith, without my approval, S 796, the so-called War Labor Disputes Bill.

"It is not a simple bill, for it covers many subjects. I approve many of the sections; but other sections tend to obscure the issues or to write into war legislation certain extraneous matter which appears to be discriminatory. In the form submitted to me, the accomplishment of its avowed purpose—the prevention of strikes in wartime—could well be made more difficult instead of more effective.

"Let there be no misunderstanding of the reasons which prompt me to veto this bill at this time.

"I am unalterably opposed to strikes in wartime. I do not hesitate to use the powers of government to prevent them.

"It is clearly the will of the American people that for the duration of the war all labor disputes be settled by orderly procedures established by law. It is the will of the American people that no war work be interrupted by strike or lock-out.

"American labor as well as American business gave their 'no strike, no lock-out' pledge after the attack on Pearl Harbor.

"That pledge has been well kept except in the case of the leaders of the United Mine Workers. For the entire year of 1942 the time lost by strikes averaged only five one-hundredths of 1% of the total man-hours worked. The American people should realize that fact—that 99.95% of the work went forward without strikes, and that only five one-hundredths of 1% of the work was delayed by strikes. That record has never before been equaled in this country. It is as good or better than the record of any of our allies in wartime.

"But laws are often necessary to make a very small minority of the people live up to the standards that the great majority of people follow. Recently there has been interruption of work in the coal industry, even after it was taken over by the Government. I understand and sympathize with the general purpose of the War Disputes Bill to make such interruptions clearly unlawful.

"The first seven sections of the bill are directed to this objective.

"Section 1 provides that the Act may be cited as the 'War Labor Disputes Act.'

"Section 2 relates to definitions.

"Section 3 gives statutory authority to the President to seize war facilities—a power already exercised on several occasions under executive order or proclamation.

"Sections 4 and 5 of the bill provide for maintaining existing terms and conditions of employment, except as directed by the War Labor Board.

"Section 6 makes it a criminal offense to instigate, direct or aid a strike in a government-operated plant or mine.

"This would make possible the arrest of a few leaders who would give bond for their appearance at trial. It would assure punishment for those found guilty, and might also have some deterrent effect. But it would not assure continuance of war production in the most critical emergencies.

"Section 7 gives the National War Labor Board statutory authority and defines its powers.

"Broadly speaking, these sections incorporate into statute the existing machinery for settling labor disputes. The penalties provided by the Act do not detract from the moral sanctions of labor's no-strike pledge.

"If the bill were limited to these seven sections, I would sign it.

"But the bill contains other provisions which have no place in legislation to prevent strikes in wartime and which in fact would foment slow-downs and strikes.

"I doubt whether the public generally is familiar with these provisions. I doubt whether the Congress had the opportunity fully to appraise the effects of these provisions upon war production.

"Section 8 requires the representatives of employees of a war contractor to give notice of a labor dispute which threatens seriously to interrupt war production to the Secretary of Labor, the National War Labor Board and the National Labor Relations Board, in order to give the employees the opportunity to express themselves by secret ballot whether they will permit such interruption of war production.

"It would force a labor leader who is trying to prevent a strike in accordance with his no-strike pledge to give the notice which would cause the taking of a strike ballot and might actually precipitate a strike.

"In wartime we cannot sanction strikes with or without notice.

"Section 8 further makes it mandatory that the National Labor Relations Board on the thirtieth day after the giving of the notice take a secret ballot among the employees in the 'plants, mines, facilities, bargaining unit or bargaining units,' as the case may be, on the question of whether they will stop work. This requirement would open the whole controversy over 'bargaining units,' a fruitful source of controversy and of bitter jurisdictional strife.

"Section 8 ignores completely labor's 'no strike' pledge and provides, in effect, for strike notices and strike ballots. Far from discouraging strikes, these provisions would stimulate labor unrest and give Government sanction to strike agitations.

"The 30 days allowed before the strike vote is taken under Government auspices might well become a boiling period instead of a cooling period. The thought and energies of the workers would be diverted from war production to vote-getting.

"The heads of our military, naval and production agencies have testified that these provisions are likely to be subversive of the very purpose of the bill—uninterrupted production.

"Section 9 of the bill prohibits for the period of the war political contributions by labor organizations. This provision obviously has no relevancy to a bill prohibiting strikes during the war in plants operated by the Government or to a 'War Labor Disputes Act.' If there be merit in the prohibition it should not be confined to wartime, and careful consideration should be given to the appropriateness of extending the prohibition to other non-profit organizations.

"There should be no misunderstanding—I intend to use the powers of government to prevent the interruption of war production by strikes. I shall approve legislation that will truly strengthen the hands of government in dealing with such strikes, and will prevent the defiance of the National War Labor Board's decisions.

"I recommend that the Selective Service Act be amended so that persons may be inducted into noncombat military service up to the age of 65 years. This will enable us to induct into military service all persons who engage in strikes or stoppages or other interruptions of work in plants in the possession of the United States.

"This direct approach is necessary to insure the continuity of war work. The only alternative would be to extend the principle of selective service and make it universal in character.

"I recognize that this bill has an entirely praiseworthy purpose—to insure full war production. But I am convinced that Section 8 will produce strikes in vital war plants which otherwise would not occur. Therefore I could not properly discharge the duties of my office if I were to approve S 796."

Bricker Favors American Participation In Post-War Organization To Preserve Peace

(Continued from first page)

sibilities of such activity to future speeches, and centering his address on domestic affairs and their handling by the Roosevelt administration. His remarks at Milwaukee were indicated as follows in Associated Press accounts from that city June 25:

"For ten years our national administration has pursued a domestic policy which, at every point, hampers and contradicts its professed foreign policy," he asserted.

As an example, he mentioned agriculture, saying that under the Administration program "we were to grow what we need for our own purposes and only what we needed for our own purposes."

"The tragic results of that policy now face us with grim and forbidding reality," he went on. "Hunger stalks around the world and we are rationed here, because of such fallacious programs."

Governor Bricker said the United States should participate freely in world trade. He expressed opposition to lowering living standards of American labor and suggested that superior efficiency in production be used to meet competition of goods offered by low-wage nations. Destructive inflation would be an insuperable trade handicap, he said.

"And yet, we have an Administration in Washington so divided among itself that for ten years the State Department and, at times, the President and other agencies, have exalted the mission of America in promoting foreign trade," he asserted. "At the same time, we have had other departments, and you can supply the names of those responsible for those departments, who have been telling us that sound economic policies require continuous inflation. And the President has supported that side of his Administration, too. The consequences of this ruinous division of policy are already appearing. No official pronouncement, no matter how exalted, can reconcile a policy of inflation with a policy of increased foreign trade."

Gov. Bricker said the public should be protected from public or private monopoly. He held that government assistance to citizens seeking security against the needs of age and unemployment is legitimate, and that in every extension of Federal authority State rights must be respected.

MBA Surveys Effect Of War On Mortgages Of Men In The Service

Reporting the results of the first nation-wide survey made of the effects of the war on mortgages of men who have gone into the service, the Mortgage Bankers Association of America announced on June 26 that the most significant conclusions to be drawn from the study are that a surprisingly few service men have had to seek relief under the Soldiers' and Sailors' Civil Relief Act, that there has been little difficulty in adjusting payments and that there seems to be no reason to believe that when the higher age groups—including men with children—are inducted, present experience will be more unfavorable. The advices from the Association state:

"The study is based upon the experience of nearly 250 important mortgage lending institutions including 41 large life insurance companies and 32 large commercial banks. Seventy-eight cities in 31 states were covered.

"Most of the nearly 800 members of the national Association reported no mortgage defaults of service men. The nearly 250 institutions reporting defaults have had only 858 cases. The largest number was that on a west coast bank with 87. One life insurance company has had 75 and another 63. Most institutions have had only one or two. Only nine institutions reported more than 20 cases each.

"What is going to happen to the mortgage loans of the older men who will likely be drafted later this year and next is not entirely clear from the survey but the majority of the mortgage bankers believe that no greater difficulties will be encountered than have been experienced so far, according to Charles A. Mullenix, president. The vote on this question was about 60 to 40 that proportionately not many more defaults are likely to occur.

"Men going into the service can secure relief from payment of principal and interest on their mortgage loans while they are in the service but must eventually make full payment.

"A principal difficulty lenders have encountered has been the 'curbstone' advice of people who know little of what the Soldiers' and Sailors' Civil Relief Act actually provides for and who have, in many instances, told servicemen that going into the service means that they are released forever from principal and interest payments on their loans while they are in the service. Most of this advice has come from civilians, the study shows, but some of it has come from uninformed army sources.

"Another has been the delay in dependents of men in service receiving allotment checks. There have been surprisingly few attempts to take an unfair advantage of the Act as it pertains to mortgage loans and there have been relatively few cases which have had to be taken to court. The study showed no particular sectional trends although lending institutions in the South and West seemed to have had relatively more default cases than elsewhere." It is also stated:

"The survey shows servicemen's mortgage problems have usually been worked out satisfactory to all concerned, that, as usual, there are some who like to advise about things they know nothing about and finally—and this is particularly true—servicemen with mortgage loans outstanding have, in practically all cases, wanted to do the right thing once they knew what the law provides for. What is most encouraging is that the majority of the lenders surveyed do not anticipate a great wave of mortgage defults when the higher age groups are inducted. The significance of this is that the higher percentage loans we have been making in the last ten years are sound loans. It further reflects the fact that Americans like to pay their debts."

Treasury Closes Books On $2.5 Bill. Note Sale

The subscription books for the current offering of $2,500,000,000 of 1½% Treasury Notes of Series A-1947 were closed at the close of business on June 29. These securities, dated July 12, 1943 and due Sept. 15, 1947, were placed on sale through the Federal Reserve Banks on June 28 with no restrictions as to the basis for subscribing. Secretary of the Treasury Morgenthau announced the offering on June 26 explaining that these securities were designed to raise additional funds in advance of the Third War Loan Drive, which is scheduled to get under way in September.

In disclosing the terms of the latest "new money'' offering, Secretary Morgenthau said that, with the exception of weekly bill offerings, two other financing operations are planned for the Summer. He explained that part of the proceeds from the current sale will be used to pay off in cash $324,000,000 of Reconstruction Finance Corporation notes maturing July 15 but that the Treasury may obtain additional funds some time in August in connection with the probable issuance of new certificates of indebtedness to pay off the $1,609,000,000 in certificates which fall due August. 1.

The following details of the new 1½% notes is from the Treasury's announcement:

"The notes will be dated July 12, 1943, and will bear interest from that date at the rate of 1½% per annum, payable on a semi-annual basis on Sept. 15, 1943, and thereafter on March 15 and Sept. 15 in each year until they mature on Sept. 15, 1947. They will not be subject to call for redemption prior to maturity. They will be issued only in bearer form with interest coupons attached, in denominations of $500, $1,000, $5,000, $10,000, $100,000 and $1,000,000.

"Pursuant to the provisions of the Public Debt Act of 1941, interest upon the notes now offered shall not have any exemption, as such, under Federal tax Acts now or hereafter enacted. The full provisions relating to taxability are set forth in the official circular released today.

"Subscriptions will be received at the Federal Reserve Banks and Branches, and at the Treasury Department, Washington. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Subscriptions from banks and trust companies for their own account will be received without deposit, but subscriptions from all others must be accompanied by payment of 2% of the amount of notes applied for.

"Subject to the usual reservations, subscriptions for amounts up to and including $100,000 will be allotted in full, and subscriptions for amounts over $100,000 will be allotted on an equal percentage basis, to be publicly announced. Payment for any notes allotted must be made or completed on or before July 12, 1943, or on later allotment."

Back-To-Work Move By Coal Miners Gains

The back-to-work movement gained momentum in some sections of this country's coal fields during the past week, but an estimated 139,000 miners continued an unauthorized "no contract, no work" stoppage, an Associated Press dispatch from Pittsburgh, Pa., stated on June 29. Another blast furnace—the nation's eighteenth—was shut down as coal supplies dwindled in war industries, it was stated. The dispatch further added:

"A few new walkouts developed in some areas. Over the nation, however, the number at work on Tuesday of this week was 16,000 higher than on Monday.

"Full scale operations were resumed on June 29 in both Kentucky and Ohio. The last 9,000 of Kentucky's 60,000 miners returned to the pits as did the last 2,300 of Ohio's 15,000. Six Ohio mines had been out of production on June 28.

"In West Virginia—the nation's largest bituminous producing state—all mines were in operation on June 29 for the first time since the current phase of the mine-wage controversy developed. Absenteeism among West Virginia's 130,000 miners, however, was reported at 10% to 15%, leaving the over-all number of idle virtually unchanged from the day before when six mines were still out of production.

"In Pennsylvania another 10,000 reported for work, leaving about 100,000 idle out of the state's 200,000 miners.

"Another 2,000 workers in Alabama captive mines joined the stoppage, leaving only 3,000 of the state's 24,000 members of the United Mine Workers of America on the job."

[See also last week's "Chronicle", page 2389.—Ed.]

Newton to Direct Coal Mines

On June 28, Harold L. Ickes, Secretary of the Interior, and Solid Fuels Administrator for War, announced the appointment of Carl E. Newton, President of the Chesapeake and Ohio Railway Company, as Director of Mine Operations for the Federal Government.

Following his appointment Mr. Newton made the following statement in response to inquiries:

"My job is to get maximum production of coal from the mines, subject, of course, to the limits of my authority. Neither Secretary Ickes nor I have jurisdiction over wages, nor any power to make a contract with the mineworkers.

"I know the difficulties of this assignment. Between mine owners and mineworkers there are muddied waters. I shall deal with both sides as fairly as I know how.

"Maximum production of coal is vital to winning the war. Regardless of differences and existing bitterness, therefore, I have confidence that in the national interest the mineworkers and the mine owners will give me their co-operation."

Pay On Norway 6s

The Kingdom of Norway is notifying holders of its 20-year 6% external loan sinking fund gold bonds, due Aug. 1, 1944, that $1,081,000 principal amount of the bonds of this issue have been drawn by lot for redemption on Aug. 1, 1943 at 100% of their principal amount. The drawn bonds should be surrendered for redemption on that date at the head office of the National City Bank of New York. The announcement also states:

"In connection with the call, it is noted that on June 23, 1943, $1,306,000 aggregate principal amount of the bonds of this issue, called for redemption previous to the present call, had not been presented for payment and interest thereon had ceased. Upon inquiry at the head office of the National City Bank of New York, the holders of bonds of this issue may ascertain whether or not their bonds have previously been called for redemption."

Silver Use By Industry Approved By Senate

Legislation to permit the sale or lease of Treasury silver for industrial purposes was passed by the Senate on June 18 and sent to the House.

The bill was sponsored by Senator Green (Dem., R. I.) and is a compromise version of a similar measure which failed of passage at the last session of Congress due to objections of the so-called silver bloc. Under the bill, the President, acting through the Secretary of the Treasury and upon the recommendation of the Chairman of the War Production Board, could sell, or lease for domestic purposes for not longer than six months after the end of the war, any silver held or owned by the United States, "for purposes including but not limited to the making of munitions of war and the supplying of civilian needs, and the converting of existing plants to those purposes."

The bill fixes the price at which the silver could be sold at not less than 71.11 cents an ounce. The measure also provides that "at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury."

The bill provides that the act shall expire on Dec. 31, 1944.

Senator Green's assertion that there was an urgent necessity for prompt passage of the bill was joined in by Senator McCarran (Dem., Nev.) a leader of the silver bloc.

During debate on the bill, on June 18, Senator Thomas (Dem., Okla.), another silver bloc leader, inserted the following statement in the "Congressional Record" with respect to the amount of silver the Government owns:

"We now have almost 3,000,000,000 ounces of silver owned by the United States Government and under the control of the Secretary of the Treasury. We have approximately 500,000,000 silver dollars coined. Each standard silver dollar contains one hundred one-hundred-twenty-ninths of an ounce of silver, and for monetary purposes silver is worth $1.29 an ounce. Under the law the 3,000,000,000 ounces of silver which the Government owns, if coined into standard silver dollars, would amount to some $3,870,000,000. . . .

"Recently the Congress authorized the Treasury to reduce to silver bars some 40,000,000 of those silver dollars, for the reason that such coined silver dollars had become worn and slick from use and therfore did not contain the full amount of silver. So those dollars have been melted into bars, and are subject to use as provided by the terms of the pending bill.

"The record shows that we now have in circulation something over $1,900,000,000 of silver certificates. There is in the Treasury, behind each dollar of such money, either a standard silver dollar or silver bullion to the full monetary value of the certificates. That makes it necessary to retain in the Treasury about 1,500,000,000 ounces of silver. That leaves, then, about 1,500,000,000 ounces of silver that are free, and not necessary to be kept in order to redeem our outstanding silver certificates. It is that 1,500,000,000 ounces of silver that the pending bill deals with in the main. If the time comes when the 1,500,000,000 ounces of free silver not being used for money and subject to the provisions of the proposed bill are disposed of in the war effort, then if additional silver is needed additional legislation may be required to enable us to use the silver that is retained as redemption for the outstanding silver certificates."

Passage of this bill by the Senate Banking and Currency Committee was noted in our issue of June 7, page 2110.

President Pays Tribute To Soviet Russia

President Roosevelt, in a statement on the second anniversary of the Nazi attack upon the Soviet Union, paid tribute on June 21 to the "history-making exploits of the armed forces of the Soviet Union and the almost incredible sacrifices which the Russian people are so heroically making."

Secretary of State Hull also took occasion to issue a formal statement saying it is appropriate to give expression "to our admiration of the courage and spirit of self-sacrifice displayed by the whole people of the Soviet Union."

The President's message follows:

Marshal Joseph V. Stalin,
Commander-in-Chief of the
Armed Forces of the U.S.S.R.,
The Kremlin, Moscow.

Two years ago tomorrow, by an act of treachery in keeping with the long record of Nazi duplicity, the Nazi leaders launched their brutal attack upon the Soviet Union. They thus added to their growing list of enemies the mighty forces of the Soviet Union. These Nazi leaders had underestimated the extent to which the Soviet Government and people had developed and strengthened their military power to defend their country and had utterly failed to realize the determination and valor of the Soviet people.

During the past two years the freedom-loving peoples of the world have watched with increasing admiration, the history-making exploits of the armed forces of the Soviet Union and the almost incredible sacrifices which the Russian people are so heroically making. The growing might of the combined forces of all the United Nations which is being brought increasingly to bear upon our common enemy testifies to the spirit of unity and sacrifice necessary for our ultimate victory.

This same spirit will, I am sure, animate us in approaching the challenging tasks of peace which victory will present to the world.

Franklin D. Roosevelt.

In acknowledging this message, Premier Stalin on June 27 thanked Mr. Roosevelt for his "high estimation of the determination and bravery of the Soviet people" and expressed the belief that victory will come "the sooner we strike our joint united blows against the enemy from the east and from the west."

The text of Mr. Stalin's message follows, according to the Associated Press, as recorded in London by the Soviet monitor:

"I thank you for your high estimation of the determination and bravery of the Soviet people and their armed forces in their struggle against the Hitlerite invaders.

"As the result of two years of struggle on the part of the Soviet Union against Hitlerite Germany and its vassals, and of the serious blows inflicted by the Allies on the Italian and German armies in North Africa, conditions have been created for the final defeat of the common enemy.

"Victory will come all the sooner, of this I have no doubt, the sooner we strike our joint united blows against the enemy from the east and from the west."

The News Behind The News

(Continued from first page)

get out of town before Oct. 31, and the general assumption is that the one to travel will be the Board.

Its members are literally fuming to an extent where they cannot talk without sputtering. Their faces are pale, and they show signs of their war of nerves not only with Lewis, but with Ickes.

The mere fact that Ickes even talked with Lewis and thereby interfered with their dealings on the various coal strikes, would have been enough to make them run high, but when Ickes kept taking matters out of their hands and assuming to settle negotiations (even though he had an Executive order directing him to do so) he just about furnished the main basic reason why the coal strike situation is in its current quandary.

* * *

So it may be reasonably said that Messrs. Lewis and Ickes really decided to let the problem go for four-and-a-half months to push, or let the Board go on the rocks quietly in the interim.

Nor will Mr. Lewis be scared much by FDR's request to Congress for extension of the draft-age limit to 65 in order to deal with the miners or other strikers. Congress probably will not pass it.

The idea of making millions of people of the country subject to Presidential draft at will, in order to punish a few labor leaders, is not apt to have wide political appeal. It looks like another of those Administration proposals to avoid direct action against the source of trouble, in favor of a circuitous route and indirect action against all of the people for the sins of a few.

Most of the coal operators seemed to want to settle with Lewis without waiting four and a half months for the outcome of these Ickes-Lewis political ramifications. Their actions suggest they may be scared on two counts.

In the first place, if Lewis sues in court for portal-to-portal pay and gets a judgment, he might be able to collect back wages for five years to 1938. A settlement would not go back so far.

In the second place, Ickes is running their industry, and such an aggressive political character is apt to look under all their beds for whatever he can find, now that he is in charge of their household.

The War Labor Board has been on the verge of going either out of town or on the rocks several times lately, but, at the moment, seems sharply divided as to its future course.

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Victory Tax Receipts Exceed Estimate

Victory tax collections by the Government up to June 5 amounted to $682,382,323.20, Guy T. Helvering, Commissioner of Internal Revenue, announced on June 11.

This exceeds by $147,782,523.20 the amount of revenue the Treasury estimated it would receive from its effective date, Jan. 1, up to June 10.

Mr. Helvering said:

"To date the Victory tax had been withheld from wages and salaries, above exemptions, at the rate of 5%. For pay-roll periods beginning on or after July 1, this method will be discontinued and Victory tax collections will be included in the 20% withholding plan provided in the current tax payment act."

From Washington

(Continued from first page)

sion of him. In such a case there would be no synthetic draft of this man and your correspondent has never known other than a synthetic draft. Very likely there have been a genuine draft or so in history but your correspondent has not been living here all during history.

A man who came to the fore out there, impressed everybody and about whom a lot will undoubtedly be heard in the future, is Governor Warren of California. All the fellows got the impression he was a man of intelligence, looked like Presidential stature, whatever that is, and a man with a grasp of affairs.

Governor Bricker lost still more stature.

2. The question of F. D. and the labor vote. His friends think he was very clever on this, though you get the impression—and we are talking about his veto of the Smith-Connally bill — that they are not so certain. Indisputably he alienated just about every other group in the country, as the quick overriding of his veto in Congress, reflecting the sentiment of the country, proves. Your correspondent has some very good contacts with labor, and we can't see that he has improved his position there. After all, his veto didn't kill the legislation and he can certainly be blamed by labor for this. Because had he played fair with his leaders in Congress and not permitted members of the House to go away over the week-end, particularly those from New York, his veto would have been sustained. The labor leaders with whom I have talked seem to think they have been given a grand double cross. And this is notwithstanding the statements which both Bill Green and Phil Murray promptly issued commending him for his statesmanship.

On the other hand, time is likely to prove the logic of his veto. The legislation was the result of a hysterical mess and there are few observers around here who believe it can be enforced. There are a tremendous lot of labor leaders who would like to go to jail under its terms and become martyrs. Your correspondent appreciates that there are some editors who think this is nonsense. The fact is that all of the "great" labor leaders, including John P. Frey, the outstanding statesman of them all, have at one time or another served time in jail for their "cause." People ought to understand this.

An immediate aftermath of the legislation was the strike of 2,500 workers in the Chrysler plants in Detroit. There is a belief in official circles here, too, that John L. Lewis, knowing what was coming, jumped the gun and ordered his men back to work, but at the same time tipped off some of his key men to hold miners out. Those who think this, however, figure that Lewis thought the President was going to approve the legislation, not veto it. The overriding of the veto gave him the same result.

By the way, there are a lot of summer visitors to Washington, with the guides taking them around and showing them the big men who are running things.

3. The FORCED resignation of Chester Davis accentuates the break between Congress and the President. Your correspondent last week wrote that the OPA was by way of having its food power taken over by Davis. Obviously, now, that is what Congress has been trying to bring about. It won't take kindly to the President's effort to circumvent it by his forcing Davis out.

Meat Handling Under Govt. Regulations Criticized By American Meat Institute

Impracticable and theoretical handling of meat under Government regulations is making it impossible to supply American armed forces with the meat they need, the American Meat Institute on June 24 informed James F. Byrnes, Director of the Office of War Mobilization, in a telegram.

The Institute also directed attention to drastic curtailment of supplies for civilian consumers resulting from continuing shortage in cattle receipts, continued growth of black-market operations, closing down in whole or part of many meat-packing companies, discouragement of future livestock production and uncertainties surrounding the conditions of payment of the so-called "subsidy." It was requested that the entire meat problem be placed 'n the hands of the War Meat Board for its recommendation for solution so that the meat-packing industry can "perform its necessary and vital role in the nation's war effort."

The text of the telegram, copies of which were sent to other appropriate Government officials, follows:

"June 23, 1943

"James F. Byrnes, Director
Office of War Mobilization
Washington, D. C.:

"Alarming developments of the past few days, which are making it impossible to supply American armed forces with the beef they need, impel us to bring to your attention the following facts:

"1. The number of cattle coming to market during the last 10 days has declined sharply, and beef production last week was at a very low level. The number of cattle dressed under Federal inspection last week is estimated at 150,000 head, compared with 173,000 head the week before and 237,000 head for the corresponding week in 1942. So far this week receipts, and consequently beef operations, have been on an even lower basis—about 50% of normal.

"2. Beef supplies for the armed forces are seriously threatened.

"3. Reasons for the drastic decrease in production include these:

"(a) Since the first regulation covering maximum prices of beef wholesale cuts went into effect March 15, 1942, cattle prices have risen sharply. In Chicago, for example, the average price of good steers as reported by the U. S. Department of Agriculture, rose 25% from March 15, 1942, to April 10, 1943, declined slightly thereafter, but on June 5, 1943, was around 22% above the level of March 15, 1942.

"(b) Meanwhile, numerous rollback orders have lowered the wholesale value of meat which processors procured from these cattle.

"(c) During the week ending June 19, there was a further rollback in the price which the Army will pay for beef.

"(d) The culmination of all these factors—the inability of many beef processors to continue losing operation, plus the uncertainties surrounding the conditions of payment of the so-called 'subsidy' announced for June 7—resulted in a sharp reduction in the number of cattle being sent to the legitimate market and no relief to beef processors in the form of lower prices was afforded.

"4. As a result, the armed forces cannot get the meat they need despite the new order that meat packers must set aside 45% of their production of certain grades for Government use. It follows without saying that civilian beef supplies will be curtailed drastically. This week the receipts are again very light, in fact being about a 50% reduction.

"5. These low levels of receipts are occurring at a time when Government figures show the cattle population of the United States to be at the highest level for all time and the number of cattle on feed greater than a year ago. They indicate how greatly the meat industry is handicapped in fulfilling its war obligations because the cattle are not getting into the hands of operators in position to supply the Army. Many of these cattle are shortcircuiting the entire control program and are resulting in maldistribution of meat to consumers, as well as causing shortages of meat for the armed forces.

"6. A still further indication of the serious extent of these black market operations is found in the increased number of 'country' hides 'moving into sight' during recent months. For the six months ending with April, 1943, there was an increase of 41% in these hides. For the same period the production of commercially produced hides actually decreased 5%.

"7. We estimate that considerably more than 100 companies, some of them very substantial, have had to discontinue or sharply curtail beef or other operations since the beginning of the current marketing year (Oct. 1). Published reports and other information disclose that more than 30 companies have discontinued their beef operations with the past two weeks and this figure is mounting daily.

"8. We wish respectfully to point out that this situation will not be relieved one iota by the Government subsidy program since payments to offset a further rollback in meat prices in no way cures the original and growing maladjustment between the cost of live cattle and the ceiling selling price of meat. The subsidy is designed merely to offset the most recent rollback in wholesale meat prices now in effect. It does this only in part. Moreover, the conditions so far announced concerning the payment of the subsidy are so indefinite and give such broad discretionary powers to the Government official administering the regulations that meat packers cannot be sure that they will receive any money or, if they do, when it will be paid.

"9. While meat packers who have endeavored at all times diligently to observe the letter of the many regulations placed upon them have been forced, in many cases, to curtail or stop their operations because of the losses resulting from observance of existing regulations, the diversion of cattle to the black market continues. More beef goes into illegitimate black market channels to be handled by people who observe no price limits and who, by their action, rob the nation's armed forces and its allies. Meanwhile, the legitimate industry suffers.

"10. In connection with the entire situation, we should like respectfully to urge that it should be remembered that we shall need beef next year and the year after, too. The present situation distinctly is discouraging production.

"11. If the advice of members of this industry is wanted in any of these problems, we are still anxious, as in the past, to be of service.

"It is our earnest belief that the interests of producers and consumers, as well as those in the meat industry, will be best served by achieving the desired control through proper meat management.

"We respectfully and earnestly request that impracticable and theoretical handling be ended and that this entire problem be given immediate consideration and that it be placed in the hands of the War Meat Board for their recommendation of a fair and equitable solution so that this industry can perform its necessary and vital role in the nation's war effort, and be in position to supply the meat which the armed forces need.

"AMERICAN MEAT INSTITUTE
"By Wesley Hardenbergh,
"President."

Haake A Trustee Of Small Business Ass'n

Dr. Alfred Paul Haake, industrial economist, has been elected a trustee of the National Small Business Men's Association, it was announced June 21 by DeWitt Emery, President of the organization.

Dr. Haake has been actively interested in the problems of small business since 1938, when he conducted a crusade for recovery for small business in Pennsylvania. He conducted a similar campaign in Ohio in 1939 and 1940. He was graduated from the University of Wisconsin in 1914, and received his Ph.D. from the same university in 1916. For two years he headed the Department of Economics at Rutgers University, in 1922 and 1923, and since that time he has been associated in an executive capacity with several business enterprises, including publishing, principally in the furniture industry. He is a regular contributor to magazines on subjects related to economics and political economy and science.

All other officers and trustees of the National Small Business Men's Association have been re-elected Mr. Emery said. Officers of the Association include: Mr. Emery, Monroe Letterhead Corp., Akron, Ohio, President; A. F. Mathews, Consolidated Freight Co., Saginaw, Mich., Vice-President; D. H. Holloway, Holloway Insurance Agency, Akron, Ohio, Treasurer; James Westbrook, Bridgeport, Conn., Secretary; and J. Raymond Tiffany, Hoboken, N. J., General Counsel.

Trustees include all officers and the following: E. J. Barnard, Boston Bookbinding Co., Cambridge, Mass.; C. R. Boyd, H. C. Boyd Lumber Co., Coraopolis, Pa.; Harry E. Brinkman, Foto-Lith, Inc., Cincinnati, Ohio; L. M. Evans, Elliott and Evans, Inc., Cleveland, Ohio; Major John L. Griffith, Chicago; Russell Stover, Stover Candy Co., Kansas City, Mo.; Monroe Shakespeare, Shakespeare Co., Kalamazoo, Mich.; and Dr. Haake, Park Ridge, Ill.

Pa. And Del. Factory Employment Steady

Employment in Pennsylvania factories, although down slightly from April to May, exceeded 1,200,000 for the sixth successive month; payrolls increased 1% to a new high estimated at close to $50,000,000 a week, according to reports received by the Federal Reserve Bank of Philadelphia from 2,928 establishments. Total working time was about the same as in April. Compared with May, 1942, employment increased 4%, payrolls 24%, and employee hours 11%. The bank also states:

"The weekly income of wage earners at reporting factories in Pennsylvania increased in May to $44.46, approximately $7 above a year ago. Average hourly earnings advanced to a new peak of nearly 99½ cents, from about 89 cents in May, 1942. Working time, averaging 45 hours a week per man, was at the highest level since 1930.

"At reporting factories in Delaware, employment increased 2% and payrolls 5% from April to May; gains over a year ago were 31% and 59%, respectively. Total employee hours rose 3% in the month to a level 36% above May, 1942."

Citizenship Cannot Be Cancelled Because Of Membership In Communist Party

The United States Supreme Court, in a 5 to 3 decision, ruled on June 21 that the American citizenship of an alien cannot constitutionally be cancelled merely because he was a member of the Communist party.

Associate Justice Murphy delivered the opinion of the majority, which was concurred in by Associate Justices Douglas, Rutledge, Black and Reed. Chief Justice Stone and Associate Justices Roberts and Frankfurter dissented. Associate Justice Jackson, a former Attorney General, did not participate.

The case concerned William Schneiderman, Secretary of the Communist party in California and a native of Russia who became a citizen in 1927. The government sought to abrogate his citizenship on the ground that he had concealed his communist connection.

The decision, it is stated, constituted a victory for Wendell L. Willkie, who had argued the case before the high tribunal without fee.

In Associated Press Washington advices the decision was reported as follows:

Justice Murphy, who delivered the majority opinion, asserted that cancellation of citizenship was not justified by imputing a "reprehensible interpretation" of an organization to a member unless there were "overt acts" committed by the member "indicating that such was his interpretation."

Justice Murphy declared that "clear, unequivocal and convincing" evidence was required for setting aside a naturalization decree, and that such evidence had not been presented.

"Were the law otherwise," Justice Murphy said, "valuable rights would rest upon a slender reed, and the security of the status of our naturalized citizens might depend in considerable degree upon the political temper of majority thought and the stresses of the times. Those are consequences foreign to the best traditions of this nation and the characteristics of our institutions."

He said the tribunal did not consider whether Schneiderman "was a believer in, and a member of an organization teaching disbelief in organized government, and that his oath of allegiance was false," and that "these issues are outside the scope of the complaint."

Explaining that the court reviewed the case "because of its importance and its possible relation to freedom of thought," Justice Murphy added:

"The question is whether the naturalization of petitioner, an admitted member of the Communist party of the United States, was properly set aside by the courts below some twelve years after it was granted.

"We agree with our brethren of the minority that our relations with Russia, as well as our views regarding its government and the merits of communism, are immaterial to a decision of this case.

"Our concern is with what Congress meant by certain statutes and whether the Government has proved its case under them."

Justice Murphy said that "under our traditions, beliefs are personal and not a matter of mere association" and that "men in adhering to a political party or other organization notoriously do not subscribe unqualifiedly to all of its platforms or asserted principles."

"The constitutional fathers, fresh from a revolution, did not forge a political strait-jacket for the generations to come," Justice Murphy said.

"We should not hold," Justice Murphy added, "that petitioner (Schneiderman) is not attached to the Constitution by reason of his possible belief in the creation of some form of world union of Soviet republics unless we are willing so to hold with regard to those who believe in Pan-Americanism, the League of Nations, 'Union Now,' or some other form of international collaboration or collective security which may grow out of the present holocaust. A distinction here would be an invidious one based on the fact that we might agree with or tolerate the latter but dislike or disagree with the former . . ."

Regarding the dissenting opinion, the Associated Press said:

"Chief Justice Stone, in a sharply worded dissent, declared the record 'abundantly supported' the lower court's finding that the party and Schneiderman believed in the overthrow of the Government by violence.

"A man can be known by the ideas he spreads as well as by the company he keeps," the Chief Justice said, "and when one does not challenge the proof that he has given his life to spreading a particular class of well-defined ideas, it is convincing evidence that his attachment is to them rather than their opposite. In this case it is convincing evidence that petitioner, at the time of his naturalization, was not entitled to the citizenship he procured because he was not attached to the principles of the Constitution and because he was not well disposed to the good order and happiness of the same."

Canadian Newsprint Shipments Down In May

Canadian shipments of newsprint in May, at 257,756 tons, were 8,687 tons, or 3.3% lower than in the comparable month in 1942, the Newsprint Associaion of Canada reports in its monthly statement. The following was reported in Canadian Press advices from Montreal, June 11:

"Shipments to overseas customers increased 27.2%, while shipments to the United States and Canada decreased 5.6% each. Shipments represented 69.6% of 1942 capacity, compared with 65.9% in April and 72.0% in May of last year.

"Canadian production amounted to 254,046 tons and was 2,215 tons or .9% higher than in May 1942, the Association stated. Production represented 68.6% of 1942 capacity against 62.0% in April and 68.0% in May a year ago. Shipments exceeded production by 3,710 tons and there was a corresponding reduction in stocks held by Canadian manufacturers.

"Shipments and production by United States mills declined 12.4% and 14.2% respectively from May, 1942. Production exceeded shipments by 1,569 tons and stocks held by United States mills increased by that amount.

"Stocks of all North America manufacturers increased 678 tons in May and amounted to 166,198 tons at the end of the month, the association announced. In 1941 there was a corresponding increase of 340 tons while in 1942 there was a decrease of 3,414 tons."

The association reported on June 16 that apparent total consumption in the United States of newsprint in May amounted to 334,125 tons, which was 7,908 tons, or 2.4% higher than in the same month in 1942. The cumulative decrease for the first five months of this year under the same period in 1942 was 1.4%.

Apparent total stocks of all United States consumers declined 41,239 tons during May and amounted to 493,580 tons at the end of the month. Corresponding stocks at the end of May, 1942, were 599,714 tons.

Agricultural Department General Crop Report As Of June 1, 1943

Crop prospects in the United States are lower than they were a month ago and a little less promising than at this season in any of the last 3 years. By June 1, planting had been seriously delayed by wet weather in important central and northeastern States. At the same time, lack of moisture was causing increasing concern in portions of the Great Plains. Rainfall has been more evenly distributed since June 1 but in the wet area planting is progressing under difficulties and farmers probably will not be able to increase the acreage of crops as desired. In the flooded areas and where the rains have continued into June many farmers will have to plant whatever the lateness of the season permits. If weather is reasonably good from now until harvest, the acreage of crops grown should be nearly as large as was harvested last season and crop yields should approach those of the 1937-41 or post-drought period; but either further delays in planting or an early frost would be costly. Some crops may yield well, but aggregate yields averaging as high as those secured last year are no longer within reach.

During May, persistent rains fell from southwestern Oklahoma to central Michigan and northern New York. This strip is roughly 1,500 miles long and 300 miles wide and includes about 90,000,000 acres of crop land, or a fourth of all crop area in the United States. In Oklahoma, northern Arkansas, southeastern Kansas, Missouri, Illinois and Indiana, where May rainfall exceeded eight inches, nearly 4,000,000 acres of crop land were flooded, and on a third of this acreage it is too late to replant with the same crops. In an area extending from Oklahoma into Missouri, where rainfall ranged from 12 to 20 inches, losses from flooding and from erosion have been distressingly heavy. In part of the wet area a favorable break in the weather during late May and early June permitted the delayed planting to go forward with a rush. Farmers are obviously doing their best under handicaps. In Illinois, where many of the tractors were kept running 24 hours per day, the percentage of the corn acreage planted increased at a record rate, from 11% on May 29 to about 65% a week later; but then planting was again interrupted by rain. Presumably nearly the usual acreage of these crops will finally be planted in most of these States, but both the acreage and the kind of crops planted will depend on when the farmers can get into the fields. In Oklahoma the season is so late and damage has been so heavy that some farmers will abandon their crops and seek other employment. Most of them, however, are expected to replant part of the damaged cotton and substitute sorghums, peanuts, soybeans and emergency forage crops for corn and other crops lost. In the eastern Corn Belt, full acreages of corn and soybeans are to be expected if the weather permits. There may be some substitution of quicker maturing varieties for those usually grown if planting is further delayed. In New York and Michigan, where the late Spring and persistent rain have delayed work, some grass land which farmers had intended to plow may be left for hay. Throughout the whole wet area plans and prospects vary, depending in part on the drainage conditions, on breaks in the weather, and on the reserves of power and labor available for the emergency. Farm work is weeks late and there are too many jobs to be done at the same time. As a result, the ordinary operating schedules of individual farmers are badly upset.

While floods were covering crop lands farther East, drought was severely reducing crops in two Western areas, one centering in South Dakota and the other extending from southwestern Kansas into New Mexico. A general lack of rain was also beginning to be felt over a much larger Western area. Rains about the last of May and since the first of June appear to have provided temporary and, in places, substantial relief to crops in Northern and Central Plains areas; and crop prospects now appear good quite generally north of a line from Chicago to Los Angeles. Rain is still urgently needed for ranges, pastures and non-irrigated crops in western Texas, New Mexico, Arizona and southern Colorado. Crops appear to have secured an unusually good start in the Southeast, including nearly all sections south of a line extending from Dallas to New York City.

Although the season has not advanced far enough to permit precise forecasts, signs of success and failure are beginning to appear. The heavy May rainfall, averaging an inch more than normal in farming areas of the United States, and the liberal and better distributed rains in early June give promise of a good growth of grass for hay and pasture. With a record number of cattle being raised and hay in demand, farmers will cut a large acreage of hay if the labor is available and the weather permits. The production that may be expected, plus the large carryover, would result in a slightly larger total hay supply than was available in any year prior to 1942, but the supply per unit of livestock now seems likely to be only about normal and slightly less than in any of the last five years.

Winter wheat has been hurt by drought in the Great Plains area and by wet weather in the eastern Corn Belt. Spring wheat, including a considerable acreage sown where the Winter wheat was killed is now favored by generally good moisture conditions. The total wheat crop now seems likely to be about 731,000,000 bushels. This would be about the same as the average for the 1932-41 decade, which includes the drought years, but about 150,000,000 bushels below the average of the last five years. Oats and barley could not all be planted in Michigan, Ohio and New York because of wet weather, and yields will be low in the Southwest, but prospects are better in the main producing States and a large crop of barley and a fairly good crop of oats are now indicated. Corn is off to an abnormally late start, with probably 15,000,000 acres still to be planted after June 1. Good growing weather will be needed to mature late plantings ahead of frost.

Farm pastures, although heavily stocked are now furnishing an abundance of feed in most areas and prospects appear excellent. The condition of Western ranges on June 1 was about the same as the 20-year average for the date. In only a few States were they as good as on June 1 last year, and in Arizona the condition was the lowest for June 1 since 1925. In most range areas the feed supplied has been only fair, for new grass has started slowly owing to lack of moisture and late frosts. Rains in early June have been helpful over a wide area and range prospects now appear fairly good except in the dry Southwest where some reduction in herds will soon be necessary if the drought continues.

Excessive moisture over most Northern commercial truck crop areas delayed planting, prevented cultivation and retarded growth of some crops. Acreage of early-season crops in these areas may fall below expectations because of the inability of growers to plant at the proper time, but where possible later-maturing crops will be planted on this acreage. In Southern and Western sections, which furnish the bulk of supplies for shipment during the Spring months, conditions during the second half of May were favorable for the most part.

Combined production of all commercial truck crops for the fresh market estimated to date is 13% below corresponding production in 1942, but 2% above the 1932-41 average. About one-half of the total value of truck crops is included in these estimates to date. Snap beans, carrots and kale are the only crops showing greater production in 1943 than in 1942, with beets showing a reduction of only 3% and asparagus and tomatoes 5% each. Estimates covering about four-fifths of the total acreage of truck crops indicate an 11% reduction from the corresponding acreage harvested in 1942. Excluding cantaloups and watermelons, the reduction is only 7%.

Growers of processing crops in important Northern producing areas were unable to do much field work during May because of excessive rains and floods. The delay was particularly serious in New York and westward to Illinois. The net effect of this condition on the acreage that will finally be planted to processing crops has not yet been determined.

June 1 conditions indicate deciduous fruit production in 1943 may be below 1942 by as much as 10%. The prospective peach crop is the smallest since 1932, and pear production is also light at 21% below the crop of 1942. Cherry prospects are 15% below last year's crop but remain 11% above the 10-year average production. Condition of commercial apples is 6 points below that on June 1, 1942, indicating a somewhat smaller crop in prospect. The apricot crop will be the smallest since 1921 and California plums show a 10% decline from 1942. Offsetting these reductions to some extent are the larger crop of prunes, figs and grapes in prospect in California for 1943.

Present condition of citrus fruits from the bloom of 1943 (for marketing from the Fall of 1943 to the Fall of 1944) points to an aggregate tonnage of oranges, grapefruit, and lemons not greatly different from that of the 1942-43 season. If present favorable conditions continue for citrus fruits, the total tonnage of all fruits for marketing during the 1943-44 season probably will be 5% less than marketings in 1942-43.

Corn

In the Northern half of the country corn planting was delayed materially by cool and rainy weather during May. In Ohio, Michigan and in the Northeastern States fields were too wet for plowing and very little planting was accomplished by June 1. Planting is expected to be from one week to more than a month late in most of the Corn Belt. At the beginning of the month the farmers were taking every advantage of the clear and warmer weather to complete the huge task of planting the corn crop in the shortest possible time. Nearly one-half of the Illinois corn crop was planted in a week's time, with about two-thirds of the crop planted by June 4. Approximately 70% of the Indiana crop was planted by the end of the first week in June. In Iowa, about 87% of the corn was planted by June 1. but excessive rains in the southern part caused poor stands and necessitated much replanting. By June 1, planting was 90% complete in Nebraska. In general, corn was planted on time in Minnesota and South Dakota. Newly planted corn was germinating rapidly as soil temperatures rose, and warmer weather was welcome in Kansas and northward, where germination has been very slow and early growth retarded.

In the Southern States, corn is in good condition except where damaged by excessive rains and floods, but wet weather delayed planting in Kentucky and Tennessee. Corn is tasseling in the extreme South and June 1 prospects in all the Gulf States are better than a year ago.

Wheat

The total wheat production of 730,524,000 bushels indicated June 1 is 26% less than the 981,327,000-bushel crop last year and 1% smaller than the 10-year (1932-41) average of 738,412,000 bushels.

The indicated Winter wheat production of 501,702,000 bushels is about 29% less than last year's crop of 703,253,000 bushels, but only 9% less than the 10-year average of 550,181,000 bushels.

The decline in prospects since May 1 is due largely to additional abandonment of volunteer wheat in western Kansas caused by dry weather, and to flood damage which was particularly severe in Missouri, eastern Kansas, Illinois and Indiana.

During the first part of May continued dry weather caused a decline in prospects in the southwestern hard red Winter wheat States, including western Oklahoma, southwestern Kansas, the Panhandle of Texas and New Mexico. Some volunteer wheat was abandoned early in May because of dry weather. Rains came during the last half of May and improved prospects in Oklahoma, Colorado and northwestern Kansas. Loss of acreage from floods lowered prospects in southeastern Kansas, northeastern Oklahoma, and throughout the southern two-thirds of Missouri. The decline in crop prospects amounted to 1½ bushels per acre in Kansas and to a half bushel decline in Nebraska, Oklahoma and New Mexico. The indicated crop in Texas is the same as last month but yield prospects in Colorado improved about one bushel per acre. There was some decline in New York, Illinois and Michigan because of excess rainfall, but in Indiana no change, while in Ohio and Pennsylvania there was some improvement.

For the United States the indicated probable yield of 15.1 bushels of Winter wheat per acre compares with 19.7 bushels last year and the 10-year average of 14.3 bushels.

The indicated production of Spring wheat as of June 1 is 228,822,000 bushels, about 18% below last year's production of 278,074,000 bushels but nearly 22% more than the 10-year average production of 188,231,000 bushels.

Yields per seeded acre indicated by June 1 condition were applied to the prospective acreage as published in March. Since March, however, Spring wheat has replaced abandoned Winter crops in some States, and an approximate allowance was made in the production estimate for such replacement.

Prospective Spring wheat yields are below last year but were above average in most of the important producing States.

Oats

Production of oats was indicated at 1,168,000,000 bushels, based on the prospective acreage estimated in March and factors affecting acreage and yield to June 1. This is nearly 14% below the excellent 1942 crop of 1.358,730.000 bushels, but nearly 15% above the 1932-41 average of 1,018,783,000 bushels.

Conditions have been favorable for the crop in Wisconsin, Minnesota and North Dakota and by June 1 had improved in most other North Central States to indicate better than average prospects. Seeding was nearly on time, but growth had been delayed by weather conditions until they improved in late May. Loss by flood was slight except in parts of Illinois, Missouri and Kansas, but wet weather has affected the color of the crop in the flooded areas. In Michigan and the Northeast heavy rains had delayed seeding, resulting in prospects for light yields on late seeded acreage and a strong probability that much of the intended acreage would be shifted to other crops. Lateness of the season in Western and Northwestern States was being overcome under improved growing conditions in late May and early June.

Harvesting of Winter oats was under way by June 1 in the Southern States. Yields were fair to good in the South Carolina-Georgia area. Freezing in April and dry weather in the first half of May had resulted in widespread abandonment of some fields, or thin, short stands in others; this was particularly true in Oklahoma and Texas, where more than half of the acreage of the Southern States is located. Spring-sown oats were benefited by rains in mid-May after a slow start.

Barley

Indicated production of barley based on June 1 condition is estimated at 371,044,000 bushels, which is smaller than the 1942 crop of 426,150,000 bushels, by 55,000,000 bushels, or 13%. Yield prospects are down this year because of very unfavorable growing conditions to date. The June 1 condition of the crop was reported at 78% of normal, 6 points below the same date in 1942. Winter killing and freeze damage in the Winter-barley States has been rather widespread, with thin stands, flood damage, and abandonment reported throughout the area, particularly from Nebraska through Texas. There was severe injury from green bugs in Oklahoma. In the Southeastern part of the country the stands are irregular but yield prospects range from fair to good.

Growth in the principal Northern producing States, where the crop is Spring planted, was progressing favorably on June 1 despite the backwardness of the season and unfavorable weather during May. Some shifting in acreage is indicated because of flood damage and substitution of barley for oats where growers failed to get oats planted at usual seeding dates. Much barley acreage was still unplanted on June 1 in States north of the Ohio River where planting has been delayed.

In the Western States progress is favorable except in California where yields on early threshed fields have been disappointing.

Barley Stocks

Farm stocks of barley on June 1, estimated at 95,272,000 bushels, were 22.4% of the 1942 production. June 1 carryover stocks of barley this year are 18,500,000 bushels greater than on the same date last year, and are nearly 2½ times are large as the average of the eight years (1934-41) for which estimates have been made.

Rye

Prospects on June 1 indicate a crop of 33,841,000 bushels of rye. This indicated production is 41% below the 1942 crop and 12% below the 10-year (1932-41) average, which includes three years of very low rye production, 1933, 1934 and 1936. Such a crop would be the smallest production since 1936, but is more than twice the crop produced in the drought year of 1934. The indicated yield per acre is only six-tenths of a bushel below the 10-year average. The decline in prospects since May 1 is largely due to deterioration of the crop in South Dakota, where apparently heavy abondonment of rye has taken place since May

1. Prospective harvested yield per acre has declined five bushels in South Dakota and one bushel in North Dakota since May 1. In Nebraska the June 1 indicated yield is the same as on May 1. These three States contain about half the nation's acreage of rye for grain.

Farm stocks of old rye on June 1 amounted to 19,063,000 bushels, about 39% more than the 13,741,000 bushels on farms a year ago and almost twice as much as the eight-year (1934-41) average June 1 farm stocks of 9,696,000 bushels.

Early Potatoes

In the ten Southern States and California, early potato condition averaged 76% on June 1 in comparison with 78% a year earlier and the ten-year (1932-41) average for this date of 72%. May weather was generally favorable for potatoes in the Southeastern area where normal temperatures and abundant rainfall helped to overcome an unfavorable start. In Oklahoma, however, damage from heavy rains and floods dropped the condition of early potatoes from 82% on May 1 to 64% on the first of June. By contrast, lack of rain in Mississippi and Louisiana lowered the condition for these States. In California, there was no change from the generally favorable conditions of a month ago. The 1943 production of commercial early potatoes in the four earliest groups, which include the ten Southern States, California and Tennessee, is forecast at 36,614,000 bushels in 1943, compared with 29,938,000 bushels in 1942, and the ten-year (1932-41) average production of 23,748,000 bushels.

Mexico Will Resume Foreign Debt Payment

The Mexican Government, through its Finance Minister, Eduardo Suarez, announced on June 23 resumption of service on its external public debt. The payments will be made on the basic terms of an agreement reached last November between the International Committee of Bankers on Mexico, by its Chairman, Thomas W. Lamont, and the Mexican Government, through Mr. Suarez. This agreement was ratified by the Mexican Congress Dec. 29.

Before holders of the Mexican securities may avail themselves of the terms of this offer it was necessary for them to present their securities on or before June 30 to the Mexican Government's registry agents for registration as to non-enemy ownership pursuant to the decree of President Camacho, dated Aug. 4, 1942. In the "Wall Street Journal" of June 24 it was also stated:

"The Pan American Trust Co., New York City, fiscal agent of the Mexican Government under the agreement, also announced that it has received sufficient funds from Mexico to meet the payments due April 1, 1943, for the interest in arrears. The first coupon payable under the new agreement is due July 1, 1943. The necessary forms for registration and for accepting the offer of the Mexican Government may be obtained from the trust company.

"The securities affected by the agreement of Nov. 5, 1942, and the presidential decree for registration include: Republic of Mexico 5% consolidated external gold loan of 1899; Republic of Mexico 4% external gold loan of 1910; Republic of Mexico 6% 10-year treasury notes of 1913 series A, £6,000,000; City of Mexico 5% sterling loan of 1899; Institution for Encouragement of Irrigation Works and Development of Agriculture (S. A.) 35-year 4½% sinking fund gold bonds, due Nov. 1, 1943 (Caja de Prestamos, etc.); United States of Mexico 4% gold bonds of 1904; Republic of Mexico consolidated 3% internal debt of 1885; United States of Mexico 5% internal redeemable bonds of 1895; State of Vera Cruz 5% bonds due April 1, 1927; State of Vera Cruz 5% bonds dated Jan. 1, 1907; State of Tamaulipas 5% bonds dated July 1, 1903; State of Tamaulipas 5% bonds dated Jan. 1, 1907; State of Sinaloa 5% bonds dated Jan. 1, 1907; Tehuantepec National Railway 5% gold loan, due June 30, 1953; Tehuantepec National Railway 4½% gold loan, due June 30, 1953."

The New York Stock Exchange directed on June 25 that beginning June 30 Mexican bonds listed on the Exchange shall not be a delivery unless a certificate of registration as to non-enemy ownership is attached to such bonds. A circular to this effect was issued by the Exchange to its members on June 25.

This agreement was reported in our issue of Dec. 17, 1942, page 2169.

Earnings And Payrolls At New Peak In April

Earnings and payrolls rose to new peak levels in April, according to the regular monthly survey of labor statistics in 25 manufacturing industries by the National Industrial Conference Board. The Board reports that the average number of hours worked in one week also increased in April and was greater than in any previous month since May, 1930. Employment, reversing the trend of the previous 15 months, declined slightly in April but exceeded all other levels except those for February and March. Total man hours worked remained at the March peak level. Under date of June 29, the Conference Board further said:

"Hourly earnings of workers averaged $.997 and were 1.0% higher than in March. They were $.896 in April, 1942. Since January, 1941, the base month of the Little Steel formula, they have advanced 31.4%. The increase from March to April resulted chiefly from additional overtime worked at the premium rate. The average number of hours worked in one week rose 0.4% in April to 44.9 against 42.8 in April, 1942. Wage-rate increases granted during the month averaged only 0.04% for all workers. In the year-period, however, when working hours were lengthened by only 4.9%, both wage-rate increases granted and the employment of larger numbers of workers in the more lucrative, skilled occupations contributed substantially toward the rise in hourly earnings.

"Weekly earnings, showing the combined effect of higher hourly earnings and longer working hours, rose 1.6% in April to a new peak level. The April average of $44.99 was 16.3% above that of a year before and 47.0% higher than in January, 1941. 'Real' weekly earnings, or dollar weekly income in terms of the commodities and services it will purchase, increased 0.7% in April. Since April of last year, real weekly earnings of manufacturing wage earners have advanced 9.0% and since January, 1941, 22.0%, despite the rises in living costs.

"Total man hours, which reflect changes in both employment and average hours a week, remained unchanged at the March level with increased average working hours offset by a reduction in average employment for the 25 industries. They were, however, 17.9% greater than in April, 1942, and 36.0% greater than in 1929.

"Employment in the 25 industries declined in April for the first time in 16 months. The reduction in the aggregate resulted from declines in 16 of the individual industries. The reduction in employment which amounted to 0.5% was only sufficient to reduce the average slightly below the February level. There were, therefore, more workers employed in the 25 industries in April than in any other month since these surveys were begun, except during February and March of this year. Since April, 1942, employment gains have amounted to 12.3% and since January, 1941, the increase has been 35.4%.

"Because weekly earnings rose more than employment declined, total payrolls advanced in April for the 21st consecutive month. They were 1.1% greater than in March, 30.6% larger than in April, 1942, and 99.0% more than in January, 1941."

New Uses Of Business Statistics Are Seen

New methods of assembling business statistics in order to make them more useful for the war effort were described on June 22 by Frank R. Wilson, Assistant to the Secretary of Commerce, in an address before the convention of the Special Libraries Association in New York City.

Mr. Wilson said that "a great wealth of economic data is being collected each month by the Census Bureau and by other war agencies" as a result of the creation of a new division of current manufacturers' reports which was organized so that the time lag between the collection, tabulation and publication of data would be greatly reduced.

He added that the Commerce Department's statistical program now being formulated will permit tracing "with some degree of accuracy" the flow of materials through the gigantic manufacturing plant which has been set-up for the war effort. Mr. Franklin further said that this information on metering the flow of materials at various points will also be of value "when it becomes necessary to divert the flow of materials and manpower from industries producing for war use into industries producing commodities essential for a high standard of living in times of peace."

President Sends Letter To Polish Premier

President Roosevelt has sent a secret letter to Premier Wladyslaw Sikorski by Ambassador Anthony J. Drexel Biddle Jr., the Polish Telegraph Agency said on June 26, according to Associated Press London advices, which further stated:

The agency likened the message to the one delivered to Premier Stalin of Russia by Joseph E. Davies recently.

Informants close to Mr. Biddle's office said that the embassy did not know the contents of the letter, but that it was a reply to a letter from Premier Sikorski to Mr. Roosevelt.

The President's letter was handed to Mr. Sikorski's office on June 16 and dispatched immediately to the Middle East, where the Premier was visiting Polish Army units.

Alaska Military Highway

Brig. Gen. James A. O'Connor, of the United States Army's Northwest Service Command, announced on June 16 that the 1,600-mile lifeline to the north is now "The Alaska Military Highway," instead of "Alcan Highway," according to a Canadian Press dispatch from White Horse, Yukon territory.

"We called it Alcan to include some mention of Canada," he said. "Yet Canadians themselves took the lead in urging us to name the road the Alaska Highway."

Anti-Strike Bill Provides Basis For Revising National Labor Policy, Says Guaranty Trust

"The enactment of the anti-strike bill over the President's veto can and should mark the first step in a thoroughgoing revision of Government labor policy," states the Guaranty Trust Company of New York in discussing labor and the war in the June 29 issue of **The Guaranty Survey**, its monthly review of business and financial conditions.

"The new act was hastily drafted at a time when public opinion was aroused by the action of the coal miners' representatives in calling three nationwide strikes within two months in plain defiance of the President and the War Labor Board and in clear violation of labor's pledge to renounce the right to strike for the duration of the war," says **The Survey**, but it adds "despite its faults, the law provides the basis for a national labor policy conforming to the needs of wartime. It places at the disposal of the Government the means of assuring the uninterrupted operation of production facilities affected by labor disturbances. Its provisions go far toward settling the broader issues involved in the contest between the Government and the representatives of the miners." In part **The Survey** continued:

"It is in no sense a condonement of the attitude of the miners' representatives to point out that some measure of responsibility for the coal crisis rests upon recent public policies on labor and related matters. Anti-strike bills have been introduced in Congress before and have been opposed by the Administration. The National Labor Relations Act and other Federal statutes have placed close restrictions on employers and none on labor organizations in the handling of industrial relations, encouraging labor in the belief that it can do no wrong. Numerous proposals to make labor organizations and leaders take the same measure of responsibility for their actions that is imposed on other economic groups have been defeated.

"Radical changes in labor conditions and requirements due to the war point with increasing insistence to the need for revision of public policy along several lines. The coal crisis emphasizes the urgency of this need. Such an overhauling would have no necessary connection with the long-term social objectives at which public policy is aimed. It would be purely an emergency measure, designed to secure what is unanimously sought—maximum utilization of the nation's industrial resources in the prosecution of the war.

"A logical first step in policy revision would be to give definite expression to the principle that the suspension of operations in vital war industries cannot and will not be tolerated. Actual seizure of plants by the Government on several occasions has shown that this is the case. The anti-strike law marks an important step toward the open avowal of this essential principle. It is difficult to understand, however, why it should be necessary for the Government to allow a dispute to reach the strike stage, and then to go through the formality of 'seizing' the plant, in order to make it clear that no stoppage will be permitted. It would be more realistic and cadid, and probably more conducive to industrial peace, to lay down the rule at the beginning that war production must continue under any conditions and that compliance can remain 'voluntary' as long as it continues to be compliance, but no longer.

"Such a system would, of course, require an arbitration board with full statutory powers and with a personnel and organization capable of handling promptly any volume of business that might come before it. In this respect, also, the anti-strike law makes a good beginning by broadening the authority of the National War Labor Board, giving it, among other powers, that of subpoenaing witnesses and records.

"Besides providing for the peaceful settlement of industrial disputes, a suitable wartime labor policy would aim at the removal of impediments to the maximum utilization of manpower resources, including the statutory forty-hour week and any other legal or contractual restrictions preventing employers or employees from working and producing up to the limits consistent with health and efficiency. In justice to labor, as well as to the war economy in general, the policy would require a more adequate price-control mechanism than now exists. Stabilization of farm prices should be recognized as indispensable to control over the cost of living. And fiscal policy should be fully enlisted in the program, since no system of direct price control can safely be relied upon to hold prices steady unless accompanied by a stabilization of purchasing power."

WMC On Life Ins. Jobs As Deferrable, Non-Deferrable

James L. Madden, Chairman of the Insurance Department Committee of the Chamber of Commerce of the United States, made public on June 17 the following letter received from Paul V. McNutt, Chairman of the War Manpower Commission:

"In view of the nature of the cases which you presented to Mr. Appley the other day I feel it advisable to give you the following interpretation of the situation you presented. Mr. Appley has discussed this with General Hershey and since we feel this is an accurate statement you may feel free to release copies of it to representatives of the life insurance fraternity.

"The War Manpower Commission's Committee on Essential Activities has not included either life insurance as an activity or life insurance selling as an occupation in its List of Essential Activities. However, the Committee clearly has excluded these activities and occupations from its list of non-deferrable activities and occupations released Feb. 2, 1943.

"It is the wish of the War Man-Power Commission that employees not engaged in non-deferrable occupations remain on their present jobs until specific need for a change has been indicated by the Commission."

Hoyt OWI Domestic Head

Palmer Hoyt, publisher of the Portland "Oregonian," on June 21 assumed his duties as director of the Office of War Information's domestic branch.

Mr. Hoyt, who succeeds Gardner Cowles, Jr., publisher of the Des Moines "Register and Tribune," resigned, said that he had accepted the post because he is convinced its operations are absolutely vital to the conduct of the war and to the interests of the entire country.

In a prepared statement, Mr. Hoyt said his office "will not be concerned with propagandizing the the American people" but that his policy "is to give the country the straight information about the war, and to give it to them straight."

The appointment of Mr. Hoyt was noted in these columns on May 27, page 1983.

Byrd Committee Urges Federal Government To Reduce Civilian Personnel By 300,000

The Joint Committee on Reduction of Non-Essential Federal Expenditures recommended on June 17 that a 300,000 reduction in personnel be promptly carried out by all departments and agencies of the Federal Government.

The Committee, which is headed by Senator Byrd (Dem., Va.), is of the opinion that this is a conservative estimate of the reduction that can be effected without injury to the war effort. The Committee believes that further reductions can be safely effected without interference with the war effort by a firm determination of all branches of the Government to eliminate all unnecessary personnel.

In presenting the Committee's report, Chairman Byrd said Federal civil-service personnel totaled 3,008,519 in April, as compared with 917,760 employees on Nov. 11, 1918, the peak of the employment in the last World War.

Senator Byrd further said, according to the Congressional Record:

"Utilization of the available manpower is one of the greatest responsibilities of our Government. The Federal Government is attempting to direct the use of manpower in private employment, but has done nothing of a constructive character in utilizing in the most effective way the more that 3,000,000 civil-service employees. Of these 3,000,000 approximately 1,349,098 are engaged in what may be termed direct mechanical war-production work, such as work in arsenals, camps, navy yards, airports, and so forth. Those so engaged represent less than 45% of the civilian employees in the Federal Government. The balance of about 1,700,000 are engaged in work other than direct mechanical war production and many in purely clerical work."

Mr. Byrd stated that a reduction of 300,000 would mean an aproximate saving of $750,000,000 in the annual pay-roll. He further said that the Government "cannot expect full measure of sacrifice from the civilian population unless it sets an example," adding that "it is time to clean house in these various bureaus."

Other recommendations made in the Committee's report as indicated in the "Congressional Record" included:

"That the Civil Service Commission and the respective personnel offices of the Federal departments and agencies cease all unnecessary recruiting of employees, particularly from sources outside the Government service.

"That the Federal labor-utilization program be strengthened by the Civil Service Commission by forming an effective manpower pool to use fully the services of those employees already in the Federal Government.

"That steps be taken to improve the selection of employees as to quality in order that the number of new employees hired may be held to a minimum.

"That a sound employee promotion system be adopted by the Federal Government.

"That the Civil Service Commission and the Bureau of the Budget take steps to prevent the wasteful personnel malpractices prevalent within the Federal service.

"That the Civil Service Commission and the Bureau of the Budget adopt a procedure to reduce recruiting, eliminate overstaffing, and make effective the war-transfer program."

Blames Washington For Home Front Dangers But Urges Public To Put War Interests First

Declaring that "Washington is not winning the war on the economic front, and Washington is the key city of the world, the hub of the war effort of the United Nations," Eric A. Johnston, President of the Chamber of Commerce of the United States, added on June 24:

"Washington dilly-dallies, argues about the jurisdiction of Federal war agencies, plays politics, experiments with social measures, acts with indecision or not at all."

His remarks were made in a radio address over the Mutual Broadcasting System. at which time he also said that the threat of inflation hangs over the land "like the sword of Damocles." He decried the growing food shortage and charged failure of the government to formulate a tax policy adequate to meet the costs of war and forestall inflation. He called the current price policy "chaotic" and said the manpower problem is a "mess."

The foregoing is from United Press advices from Washington June 24, which in reporting Mr. Johnston as saying that the nation is confronted by a home-front crisis which enables Adolf Hitler and Premier General Hideki Tojo to hold out hopes of victory despite their military reverses, further reported his warning as follows:

"Calling for Americans to 'snap out of it' or prepare for a day of reckoning when the fighting men come home, he said that the country faces a condition 'so serious that its dangers cannot be overemphasized.'

"He placed much of the blame on Washington, but emphasized that throughout the land there are too many people who allow other interests to come ahead of winning the war.

"Hitting at the citizens' attitude, he said, 'there is a singular disregard throughout the land for law and order. It is considered smart by too many people to evade rationing, to patronize black markets and to violate other rules which we must promulgate in war time.'

"Contrasting the mild regulations and production requirements placed on civilian groups with the hardships imposed upon the fighting forces, he warned that the time must come when the men at the front will know who is 'placing petty, selfish desires and ambitions above patriotism. When the war is won, those guilty ones will be held accountable.'

"Mr. Johnston recommended specifically that food administration, production and price administration be 'revamped drastically.'

"He said the time has passed when the nation can experiment with new home-front agencies, and declared that the recently created Office of War Mobilization must be made to work or the effects of 'economic disorganization will eventually extend to the battle fronts.'"

President Lauds China

President Roosevelt sent a congratulatory message on June 21 to Generalissimo Chiang Kai-shek in response to the Generalissimo's message of greeting to the United States on United Nations Day, June 14. The President said:

"The long-standing admiration of the people of the United States for the heroic resistance of the Chinese people against the brutal aggressor has been increased by the recent brilliant victories of the Chinese armies under your inspiring leadership."

May Truck Freight Volume 16.4% Over '42

The volume of freight transported by motor carriers in May decreased 3.5% under April, but held 16.4% over May, 1942, according to reports compiled and released on June 28 by the American Trucking Associations.

Comparable reports were received by ATA from 229 motor carriers in 41 States. The reporting carriers transported an aggregate of 1,778,476 tons in May, as against 1,843,138 tons in April, and 1,528,273 tons in May, 1942.

The ATA index figure, computed on the basis of the average monthly tonnage of the reporting carriers for the three-year period of 1938-1940 as representing 100, was 180.86.

A little more than 86½% of all tonnage transported in the month was hauled by carriers of general freight. The volume in this category showed a 4.6% decrease under April, and an increase of 15% over May of last year.

Transporters of petroleum products, accounting for almost 6% of the total tonnage reported, increased 2.5% over April and 66.1% over May, 1942.

Haulers of iron and steel products reported slightly loss than 3% of the total tonnage. The volume of these commodities increased 5.9% over April, and held 45.1% over May of last year.

Approximately 4½% of the total tonnage reported was miscellaneous commodities, including tobacco, milk, textile products, coke, bricks, building material, cement and household goods. Tonnage in this class increased 5.6% over April, but dropped 8.7% under May, 1942.

Urge War Damage Ins. Extension Without Added Premium Payments

In an effort to save thousands of property owners the cost of additional premiums on Government War Damage Insurance, the American Business Congress, through its National President, George J. Seedman, on June 21, sent telegrams to Senator James E. Murray, Chairman of the Senate Small Business Committee and Representative Wright Patman, Chairman of the House Small Business Committee, calling upon them to propose legislation which would extend the coverage of the insurance without the payment of additional premiums. Mr. Seedman said:

"To date there have been no losses and we sincerely trust there will be none in the future. When this form of Government insurance was proposed, it was stated that it was not the intent of the Government to make a profit. Thus the premiums already collected should remain a fund sufficient to care for emergencies. I am confident that this proposal will have the support of thousands of property owners affected by this premium."

The full text of the wire follows: "War Damage Insurance is not a governmental business venture for profit but merely protection for civilian property. Therefore since government has suffered no losses the fund already created should be sufficient without further premiums. Those who are most affected by this additional cost are small property owners, a large majority of whom are not enjoying normal income due to war dislocations, but instead are faced with mounting operating costs. We recommend extension of coverage beyond July 15 premium date without additional premiums."

Would Protect Central Business Districts In Plan For Rebuilding Of Blighted Areas

In-lying areas of American cities can be made just as attractive for residential purposes as the suburbs under a recent bill introduced in the United States Senate, Charles T. Stewart, Director of the Urban Land Institute, told the annual conference of the National Association of Building Owners and Managers at St. Paul, Minn., on June 21.

The bill, Mr. Stewart noted, was introduced by Senator Robert F. Wagner of New York. It incorporates the proposal for redevelopment of cities worked out by the Urban Land Institute, a private organization devoted to the study of land trends and city development. A reference to the bill appeared in these columns June 24, page 2388. In his reference thereto, Mr. Stewart said:

"A few days ago Senator Wagner of New York introduced in the United States Senate, at the request of the Urban Land Institute, a bill which embodies a plan for private reconstruction of deteriorated areas. Under this proposal, which has grown out of the work of the institute, the Federal government would lend funds to cities for the purchase of land in worn-out areas so that it can be assembled in sufficiently large areas to permit the creation of an entirely new environment that can compete with new areas built on raw land. The cities would purchase the land, using the power of condemnation when necessary, and would offer it for sale or lease to private builders, who would be required to adhere to the city plan in redeveloping it. Proceeds of land sales and rentals would be used to repay the Federal loan. The plan seeks to use the factors of low interest rates and long terms of loans, attainable only through use of Federal credit, to absorb any discrepancies between the acquisition cost of land and the new values which must be placed on it to encourage the type of rebuilding that is needed.

"As long as good neighborhood environment is a commodity supplied only at the edges of cities, we can expect the public to continue its game of leap frog and the unending building of new urban edges. But that does not have to happen,. There is an alternative. We can begin to replace wornout city areas with precisely the type of environment that has been luring the public away. It is a case of competition. If close-in areas are to meet the competition they must supply the commodity that is in demand. That is why the dismal areas that form the dirty collar around central business areas must be attacked on a large scale. Complete redevelopment can transform them into park areas, parking terminals, or any other use that is appropriate in specific cases. Generally, the gretatest need in redevelopment is for the creation of new residential neighborhoods."

Mr. Stewart added:

"The central business district is the one type of urban area that can be generally regarded as basically sound. Thoughtful proposals for rebuilding old residential areas are gaining ground because nothing short of complete rebuilding can rescue neighborhoods sunk in obsolescence and an environment that is not adaptable to modern urban requirements."

Guarantee Of Essential Civilian Supply Is Integral Part Of War Economy, McBain Says

If the civilian population is to successfully produce war materials for the armed forces and Allies, its standard of living should be maintained at the highest level consistent with the war effort, Hughston M. McBain, President of Marshall Field & Co., Chicago, declared on June 22.

"The guaranteeing of essential civilian supply is an integral part of our war economy," Mr. McBain said. "After the requirements of the armed services are amply supplied the essential needs of retailing should be met because retailing is the service of supply for the people."

Besides making the weapons of war, Mr. McBain pointed out, the civilian population is financing the war by buying bonds, stamps and payment of taxes. He stated further that it is the duty of the retailers of America, as suppliers for the home front, to keep the civilian population properly housed, clothed and fed so that it can function effectively in the war effort. Mr. McBain went on to say:

"It is tremendously important that everything humanly possible is done to maintain home-front morale. Retailing is not essential, but it is vital, especially in a war-production area. It is disastrous to home-front morale if the essentials of life are unavailable.

"We cannot afford to neglect the production and distribution of food, clothing, medical supplies, home appliance repair parts and other necessities required by the people who are supplying the military needs. Success of home front strategy, like war front strategy, is based entirely upon having the necessary amount of goods, services and manpower at the right time and the right place."

Mr. McBain pointed out that since 95% of all American small business concerns are engaged in civilian supply they should be permitted to mobilize their full capacities and resources so as to successfully produce and distribute civilian goods and services. They should be given consideration in the allocation of materials, manufacturing facilities, operating supplies and other productive resources, he added.

He stated that while the present dollar volume of goods and services available for the civilian population may look reassuring from a statistical standpoint, the over-all figures are misleading. He explained that while some manufacturers will produce more than enough of certain types of goods, others will turn out far less than enough to meet the demand. Goods produced in sufficient quantities will be unevenly distributed, he added. He further said:

"Many retailers will lose out in the struggle for a share of the available supplies. Others, particularly those located in crowded industrial areas where war production has made them over-dependent on goods transported from other sections of the country, will have shipments of quantities of goods delayed for weeks and months because of an overloaded transportation system.

"With war production reaching huge proportions, the country is just beginning to feel the results of the insufficient attention given to civilian supply. During the early phases of the war it was possible to neglect the problems of civilian supply because war production was at modest levels. However, today, certain sections of the country are experiencing acute shortages of the necessities for even a war-time standard of living."

Estimates 900,000 New Homes Will Be Needed In First Peace Year

About 900,000 new homes entailing close to $5,000,000,000 in construction work will be built in the United States during the first year of peace, Louis Segal, President of Segal Lock & Hardware Co., estimated on June 21 in discussing the post-war outlook in the hardware industry at the annual meeting of stockholders held at the company's offices in New York City. "Surveys which have been made indicate that a huge pent-up demand for new houses will be released as soon as the war ends and manufacturers of housing materials and equipment can return to large-scale civilian production," Mr. Segal told stockholders. He added:

"Upwards of a million families throughout the country are looking forward to building or buying new homes when the Government gives the nation's industries the green light to go back to peacetime operation. It is estimated that the ambition to own their own homes of about 900,000 of these families will be realized during the first year of peace. The building of these 900,000 new houses will entail the letting of contracts for upwards of $5,000,000,000 in construction work. The approximate value of the hardware of the type manufactured by the company which is involved in this construction would come to about $15,000,000."

Mr. Segal was reelected President of the Company for the 14th consecutive year. The board of directors, consisting of Sidney Kuttin, Frederick H. Tabor, Mr. Segal, Charles Levy and Walter E. Corwin, was reelected.

Public Wants Definite Federal Labor Relations Policy, NAM Survey Reveals

Eighty-four percent of the American people favor creation of a Federal board with exclusive power to make final, binding decisions in labor disputes, according to a survey made for the National Association of Manufacturers by Opinion Research Corporation.

Although approving swift-acting machinery for handling labor disputes, the man in the street, according to the survey, made available June 23 holds that Congress and NOT the Administration should determine policy. It reports that 62% of the public with an opinion would have the Congress write a definite labor policy into law while only 38% would leave policy determination and enforcement to the Administration. A fairly large group of the public—13%—expressed no opinion. The NAM further states:

"The survey revealed also that the public believes that both parties to a dispute—labor and management—should have the right to protest and attempt to get the proposed all-powerful board changed, but that once decisions are handed down they should be obeyed.

"A total of 57% of the public say that either side should be able to protest and ask for a new board; 76% indicated that if organized labor refuses to accept the board's decisions the President should order compliance.

"The survey further revealed that the public, even before the coal miners' walkout, was irritated by the frequency of strikes. Sixty-one percent believe the strike problem has not largely been solved since labor leaders gave their no-strike pledge. Sixty-nine percent of the public have heard of wildcat strikes, and, of those expressing an opinion concerning them, 60% think union leaders condone them rather than try to prevent them.

"Support for the closed shop has made no headway since Pearl Harbor, the survey showed; in fact, a slight reverse tendency was noted. With open, union and closed shops defined for them, the persons interviewed expressed their views as follows:

	December 1941	April 1943
Favor open shop	65%	67%
Favor union shop	26%	25%
Favor closed shop	9%	8%
No opinion	3%	9%

"The latest NAM survey finds the public again and in greater measure voicing highest confidence in the job done by management during the war effort. Government officials drop in favor and organized labor drops to a new low in public esteem.

"The survey showed 71% of the public are satisfied with management's accomplishments, 29% were not. This figure compares with 69% satisfied and 31% dissatisfied with management's performance during a similar survey last year.

"But a total of only 27% polled this year expressed satisfaction with the job performed by labor and labor leaders during the war effort, while 73% were dissatisfied. Last year's survey showed 31% of the public satisfied with labor's efforts and 69% dissatisfied. A year ago 59% expressed satisfaction and 46% weren't satisfied with the war job carried on by government officials; this year 45% were satisfied and 55% expressed dissatisfaction.

"As for answers from union members, the survey showed their opinions do not differ greatly from those of the general public."

FDR Urges Public To Put More In Treasury Payroll Savings Plan

President Roosevelt, in a letter to Secretary of the Treasury Morgenthau on June 24 called upon the American people to invest "considerably more" than 10% in the Treasury's Payroll Savings Plan. The President called this plan "the greatest single factor we now have in protecting ourselves against inflationary spending."

The President's letter endorsed the Treasury's new campaign to increase investments in War Bonds through the Payroll Savings Plan from $420,000,000 to $600,000,000 per month. This campaign was brought under way June 15 in 180,000 firms and plants throughout the country.

Congratulating the American people on their splendid record so far in supporting the voluntary payroll savings plan, the President said:

"I hope every American on a payroll will figure out for himself the extent to which he can curtail his spending, and will put every dollar of additional saving thus made into the payroll savings plan."

The full text of the President's letter to Secretary Morganthau follows:

"Through you, as Secretary of the Treasury, I want to congratulate the American people on the way in which they have supported the voluntary payroll savings plan.

"I am proud of the fact that 27,000,000 patriotic Americans are regularly investing more than $420,000,000 a month to help pay the cost of the war. And since all of this money comes from wages and salaries—nearly 90% from people earning less than $5,000, and the bulk of it from those working in war plants—I do not hesitate to say that the payroll savings plan is the greatest single factor we now have in protecting ourselves against inflationary spending.

"This is a great record, both from the standpoint of curbing inflation and from the standpoint of financing the war. However, I heartily endorse your present drive to improve that record, and I agree it must be improved if we are to keep pace with the increasing demands of the war.

"I therefore join you in calling upon the American people—and upon labor and management particularly—to do still more. Additional people should be convinced of the necessity of participating. Everyone now on the payroll savings plan should materially increase the amount of bonds he is buying. We originally asked for 10%, but now we need considerably more.

"I hope every American on a payroll will figure out for himself the extent to which he can curtail his spending, and will put every dollar of additional saving thus made into the payroll savings plan."

WPB Continues Order Closing Gold Mines

After a study of the effects of its order closing non-essential gold mines, the War Production Board announced on June 23 that it has decided to continued the order in effect.

Gold-mining operators and some members of Congress, it is said, had requested the WPB to set aside or modify the order but the Board decided against the rescinding of the order.

Advices from its Washington Bureau to the New York "Journal of Commerce" states that evidence submitted to WPB revealed that the closing order has resulted in an increase in available labor supplies and stepped up production of other critical minerals such as copper, zinc and lead. These advices further states:

"Since the labor situation in the mining industry (especially copper) has been extremely critical for some time, it is imperative that every available relief be sought and every possible remedy be applied at this time in order to meet the essential needs of the armed forces, WPB has decided.

"Investigation has revealed that, to date, at least 1,200 of the displaced gold miners have been moved into non-ferrous metal mines, 500 have been placed in other essential industries and 800 referred to other jobs with placement not yet reported.

"In addition to this valuable labor pool acquired by the closing order, much critical material has become available for essential uses. This material has been estimated as valued at some $75,000,000 and is moving into essential production at the rate of about $100,000 a week. Also large quantities of critical materials heretofore consumed in gold mine operation are now being saved. The saving has been estimated as high as $15,000,000 annually.

"The War Production Board in its study of the gold mine situation took cognizance of many proposals advanced toward a solution of the problems involved. A continuance of the order was decided upon, with the right to appeal for exemption only if:

"(a) The critical material output of the individual mine makes an equal or larger contribution to the war effort than the materials and labor absorbed in operations, and

"(b) The necessary labor can be obtained without drawing upon any essential war activities, and certification to this effect can be obtained from the War Manpower Commission."

The WPB order closing the gold mines was reported in our issue of Oct. 22, 1942, page 1437.

Steel Production At Lowest Point In Two Years—Despite Shifts, Mill Backlogs Gain

"A week after John L. Lewis called off the third and most serious walkout, the steel industry still is dangerously low on coal and coke because of the slowness of the miners' return to work," the "Iron Age" stated in its issue of today (July 1), further adding: "Stocks at by-product plants were only 5.4 days in April prior to the big drains caused by the trouble with Mr. Lewis. In July, 1939, they equaled 25 days.

"Only a 2% increase in steel ingot output will be achieved in the first six months of this year compared with the same part of 1942. In third and fourth quarters, barring another coal strike, output is scheduled to rise and for the full year will set an all-time record but will be short of the 92,000,000-ton goal commonly mentioned at the start of 1943. (According to H. G. Batcheller, head of the WPB steel division, who soon will be promoted to Vice President of WPB in charge of industry operations, the steel expansion program as of July 1 shapes up as follows: coke ovens, 42% complete; blast furnaces 56% finished; open hearths 44%; electric furnaces, 60%; total steel ingots, 48% complete. He said annual steel-making capacity is now about 91,000,000 net tons.) All through the balance of this year the lack of coke will be more or less of an obstacle. Furthermore, the need for repairs on blast furnaces, certain coke ovens and blooming mills is growing more serious.

"Testifying to the success of the war against submarines, orders for steel for ship repairs are well below what they were a year ago. The opening of new routes, which are shorter and better protected, has been an important factor in the decline of Allied vessel sinkings.

"Extreme pressue is being exerted to produce and ship quickly 500 locomotives to Russia. Meanwhile, Russian inquiries for around $15,000,000 in steel mill equipment have reached the letter-of-intent stage.

"With the tank program ahead of schedule and new foreign plants now operating and filling their nations' requirements, domestic railroad equipment companies which were making tanks on a big scale are able to push hard now toward the completion of railroad motive power, rolling stock and accessories.

"July 1, an important date for the CMP plan which now becomes fully effective, finds the big problem of balancing steel requirements with supplies still unsolved. Manufacturing economics by contractors are being asked by WPB to help overcome the unbalance. Mills have been juggling the problem of unvalidated CMP tonnages with considerable perplexity. By this week it was expected about 85% of most steel backlogs will carry allotment numbers and some of the remaining unfilled tonnage, dating back to 1940 in a few cases, undoubtedly will be suspended."

The American Iron and Steel Institute on June 28 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 90.3% of capacity for the week beginning June 28, or at the lowest rate for any week in the last two years because of work stoppages occasioned by the coal strike. This compares with 97.6% one week ago, 98.4% one month ago and 95.8% one year ago. The operating rate for the week beginning June 28 is equivalent to 1,563,700 tons of steel ingots and castings, compared to 1,690,100 tons one week ago, 1,704,000 tons one month ago, and 1,639,200 tons one year ago, which included the July 4 holiday.

"Steel" of Cleveland, in its summary of the iron and steel markets, on June 28 stated in part as follows:

"Cancellations of steel orders due to cutbacks in the ordnance program appear to have run their course, few having been received for the past few days. In their stead is an expanding volume of tonnage affecting most major products.

"Increase in plate demand is particularly noticeable over the past fortnight, and most platemakers are booked solidly through third quarter, with October capacity rapidly disappearing. Maritime Commission is responsible for at least 50% of tonnage now on order with expansion in demand from other sources. High-test gasoline refinery tonnage is increasing as a new program gets under way.

"Mills are making a final drive to have all orders on books validated under CMP, which assumes full control July 1. While most orders have been validated, a small percentage has not, either through carelessness of buyers or inability to obtain allotment numbers. A large producer estimated about 5% of orders are in this condition.

"Sheet mills, in spite of recent cancellations, are booked through third quarter except for some capacity for galvanized sheets and specialties. Narrow cold-rolled strip capacity is filling rapidly for fourth quarter and some producers have none to offer for that delivery. Aircraft inquiries for this material are appearing for delivery in June, 1944.

"Reduced volume of scrap is being received by melters in some areas, a result of labor shortage and inability to draw out as large volume of dormant material as was available last year.

"Six additional zones have been set up by OPA for control of steel warehouse prices, effective June 21. Methods of pricing are similar to those provided in the four Atlantic Coast zones first established, varied in some details to fit customary procedure in the various areas. Southern and Pacific Coast States have not yet been zoned but will be similarly treated later in the year.

"Consumption of Lake Superior iron ore in May totaled 7,373,972 gross tons, third largest tonnage smelted this year, the peak being attained in January with 7,765,174 tons. Ore at furnaces and on Lake Erie docks June 1 aggregated 21,297,098 tons, a gain of almost 3,000,000 tons over stocks held a month earlier, but considerably less than tonnage on hand June 1, 1942, when 25,165,003 tons were at furnaces and on docks. Furnaces in blast June 1 numbered 173 against 169 a month earlier, in the United States."

New Wheat-For-Feed Sales

Legislation authorizing the sale of an additional 50,000,000 bushels of Government-held wheat for feed purposes was signed by President Roosevelt on June 14.

Under the legislation, which passed the House on June 4 and the Senate on June 8, the Commodity Credit Corporation is authorized to raise the amount of sales from 225,000,000 to 275,000,000 bushels. The CCC recommended the sale of the additional 50,000,000 bushels in view of demands from many parts of the country that it be released to ease feed shortages. In the summer of 1942 Congress authorized the sale of 125,000,000 bushels and last March an additional 100,000,000 bushels were sold.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Jun 29	120.58	110.70	118.80	116.22	111.25	98.41	102.46	113.70	116.80
28	120.44	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
26	120.44	110.70	118.80	116.22	111.25	98.09	102.46	113.70	116.61
25	120.41	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
24	120.31	110.70	118.80	116.22	111.25	98.09	102.46	113.70	116.61
23	120.23	110.70	118.80	116.22	111.25	97.94	102.30	113.70	116.61
22	120.23	110.52	118.60	116.22	111.07	97.94	102.30	113.50	116.41
21	120.17	110.52	118.60	116.02	111.07	97.94	102.13	113.50	116.41
19	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
18	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
17	120.12	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
16	120.08	110.52	118.60	116.02	111.07	97.78	102.30	113.50	116.41
15	120.03	110.52	118.60	116.02	111.07	97.78	102.13	113.50	116.22
14	119.99	110.34	118.60	115.82	111.07	97.62	102.13	113.50	116.22
12	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
11	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
10	119.99	110.34	118.40	116.02	111.07	97.62	102.13	113.31	116.02
9	120.02	110.34	118.40	116.02	111.07	97.78	102.13	113.50	116.22
8	120.07	110.34	118.40	115.82	111.07	97.62	102.13	113.31	116.02
7	120.03	110.34	118.40	115.82	111.07	97.94	102.30	113.50	116.02
5	119.93	110.34	118.40	116.02	111.07	97.78	102.30	113.50	116.02
4	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02
3	119.89	110.34	118.40	115.82	110.88	97.78	102.30	113.31	116.02
2	119.85	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
1	119.82	110.34	118.40	115.82	110.88	97.78	102.30	113.31	115.82
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	131.31	115.82
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.58	110.70	118.80	116.22	111.25	98.41	102.46	113.70	116.80
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago June 29, 1942	118.18	106.39	116.22	113.12	107.80	91.05	95.62	110.88	113.89
2 Years ago June 28, 1941	119.49	107.27	118.00	114.66	107.80	91.62	97.00	111.44	114.46

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U	Indus
Jun 29	1.81	3.13	2.71	2.84	3.10	3.85	3.60	2.97	2.81
28	1.82	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
26	1.82	3.13	2.71	2.84	3.10	3.87	3.60	2.97	2.82
25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
24	1.83	3.13	2.71	2.84	3.10	3.87	3.60	2.97	2.82
23	1.84	3.13	2.71	2.84	3.10	3.88	3.61	2.97	2.82
22	1.84	3.14	2.72	2.84	3.11	3.88	3.61	2.98	2.83
21	1.84	3.14	2.72	2.85	3.11	3.88	3.62	2.98	2.83
19	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
18	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
17	1.85	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
16	1.85	3.14	2.72	2.85	3.11	3.89	3.61	2.98	2.83
15	1.86	3.14	2.72	2.85	3.11	3.89	3.62	2.98	2.84
14	1.87	3.15	2.72	2.86	3.11	3.90	3.62	2.98	2.84
12	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
11	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
10	1.87	3.15	2.73	2.85	3.11	3.90	3.62	2.99	2.85
9	1.86	3.15	2.73	2.85	3.11	3.89	3.62	2.98	2.84
8	1.86	3.15	2.73	2.86	3.11	3.90	3.62	2.99	2.85
7	1.86	3.15	2.73	2.86	3.11	3.88	3.61	2.98	2.85
5	1.87	3.15	2.73	2.85	3.11	3.89	3.61	2.98	2.85
4	1.87	3.15	2.73	2.86	3.11	3.89	3.61	2.98	2.85
3	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.85
2	1.87	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
1	1.88	3.15	2.73	2.86	3.12	3.89	3.61	2.99	2.86
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.66	3.01	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.81	3.13	2.71	2.84	3.10	3.85	3.60	2.97	2.81
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago June 29, 1942	1.97	3.37	2.84	3.00	3.29	4.34	4.03	3.12	2.96
2 Years ago June 28, 1941	1.86	3.32	2.75	2.92	3.29	4.30	3.94	3.09	2.93

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

National Fertilizer Association Commodity Price Average Again Declines

The general level of wholesale commodity prices was again slightly lower last week, according to the wholesale price index compiled by The National Fertilizer Association and made public on June 28. This index, in the week ended June 26, 1943, declined to 135.0 from 135.1 in the preceding week. A month ago the index was 135.7 and a year ago 127.3, based on the 1935-1939 average as 100. The Association's report added:

The slight recession in the all-commodity index during the week was due principally to rather marked declines in prices of some food products. The quotations for oranges was higher, but the effect of this increase on the food products group average was more than offset by substantial decreases in potatoes and beef quotations. In the farm products group declines in prices for grains were not sufficient to change the group average since livestock prices again increased after last week's decline. The only other group average to change was the textile index, which increased fractionally due to higher prices for cotton and wool. Wholesale prices of all commodities except farm products, foods and textiles showed no change for the fourth consecutive week.

During the week price changes in the index were evenly balanced with 6 price series advancing and 6 declining; in the preceding week 7 advanced and 8 declined; and in the second preceding week there were 8 advances and 7 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week June 26 1943	Preceding Week June 19 1943	Month Ago May 29 1943	Year Ago June 27 1942
25.3	Foods	138.8	139.3	140.8	125.2
	Fats and Oils	145.1	145.1	147.9	137.0
	Cottonseed Oil	159.0	159.0	159.0	158.4
23.0	Farm Products	152.4	152.2	152.8	135.3
	Cotton	200.1	199.6	202.0	181.1
	Grains	142.5	144.1	142.6	113.1
	Livestock	146.6	146.0	146.8	132.0
17.3	Fuels	122.8	122.8	122.8	119.7
10.8	Miscellaneous commodities	130.1	130.1	130.1	127.9
8.2	Textiles	151.2	151.1	151.4	147.5
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.6	152.6	152.6	151.6
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.7	117.8
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	135.0	135.1	135.7	127.3

*Indexes on 1926-1928 base were June 26, 1943, 105.2; June 19, 105.2, and June 27, 1942, 99.2.

Electric Output For Week Ended June 26, 1943, Shows 19.2% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended June 26, 1943, was approximately 4,120,038,000 kwh., compared with 3,457,024,000 kwh. in the corresponding week last year, an increase of 19.2%. The output for the week ended June 19, 1943, was 19.4% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— June 26	June 19	June 12	June 5
New England	9.3	8.4	7.7	5.0
Middle Atlantic	19.2	17.7	15.8	14.6
Central Industrial	16.4	16.1	13.2	11.8
West Central	17.2	14.9	10.3	10.7
Southern States	23.5	25.9	20.2	21.3
Rocky Mountain	13.6	12.5	11.8	19.2
Pacific Coast	25.0	27.4	28.4	28.6
Total United States	19.2	19.4	16.7	16.4

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Mar 6	3,946.630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633.291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925.175	3.273,190	+19.9	2,950.448	1,454,505	1,699.822
May 1	3,866,721	3,304,602	+17.0	2,944,906	1,429,032	1,688,434
May 8	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,942
May 15	3.969,161	3,356,921	+18.2	3,011,345	1,435.731	1.704,426
May 22	3,992,250	3,379,985	+18.1	3,040,029	1,425,151	1,705,460
May 29	3,990,040	3,322,651	+20.1	2,954,647	1,381.452	1,615,085
Jun 5	3,925,893	3,372,374	+16.4	3,076,323	1,435,471	1,689,925
Jun 12	4,040,376	3,463,528	+16.7	3,101,291	1,441,532	1,699,227
Jun 19	4,098,401	3,433,711	+19.4	3,091,672	1,440,541	1,702,501
Jun 26	4,120,038	3,457,024	+19.2	3,156,825	1,456,961	1,723,428

Industrial Activity Maintained High Level In May, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on June 23 that industrial activity and retail trade were maintained in large volume during May and the early part of June. Retail prices, particularly foods, increased further in May.

The Board's summary of general business and financial conditions further says:

Production

Total volume of industrial production, as measured by the Board's seasonally adjusted index, remained in May at the level reached in April. Activity in munitions industries continued to rise, while production of some industrial materials and foods declined slightly. Aircraft factories established a new record in producing 7,000 planes in May.

In most non-durable goods industries there were small increases or little change in activity. Meat production, however, reached a record high level for May reflecting a sharp advance in hog slaughtering. Seasonally adjusted output of other manufactured foods continued to decline. Newsprint consumption showed little change, and publishers' stocks declined further to a 50-day supply on May 31. Consumption for the first five months of 1943 was only 5% below the same period in 1941, whereas a reduction of 10% had been planned.

The temporary stoppage of work in the coal mines at the beginning of May brought production of bituminous coal and anthracite down somewhat for the month. Iron ore shipments on the Great Lakes continued to lag in May behind the corresponding month of 1942.

The value of contracts awarded for construction continued to decline in May, according to reports of the F. W. Dodge Corp. Total awards were about 65% smaller than in May a year ago.

Distribution

During May the value of sales at department stores decreased more than seasonally, and the Board's adjusted index declined 5%. Sales, however, were about 15% above a year ago, and during the first five months of this year showed an increase of 13% over last year. In general, the greatest percentage increases in sales have occured in the Western and Southern sections of the country where increases in income payments have been sharper than elsewhere.

Freight-car loadings advanced seasonally in May but declined sharply in the first week in June, as coal shipments dropped 75% from their previous level, and then recovered in the second week of June as coal production was resumed.

Commodity Prices

Prices of farm products, particularly fruits and vegetables, advanced during May and the early part of June, while wholesale prices of most other commodities showed little change.

Retail food prices showed further advances from the middle of April to the middle of May. On June 10 maximum prices for butter were reduced by 10% and on the 21st of the month retail prices of meats were similarly reduced. with Federal subsidy payments being made to processors.

Agriculture

Prospects for major crops, according to the Department of Agriculture, declined during May while output of livestock products continued in large volume as compared with earlier years. Indications are that acreage of crops may not be much below last year but that yields per acre will be reduced from the unusually high level of last season.

Bank Credit

Excess reserves at all member banks declined from $2,000,000,000 in early May to $1,500,000,000 in the latter part of the month and remained at that general level through the first half of June. As the Treasury expended funds out of war loan accounts which require no reserves, the volume of deposits subject to reserve requirements increased and the level of required reserves rose by $600,000,000 in the four weeks ending June 16, while continued growth of money in circulation resulted in a drain on bank reserves of $400,000,000. These reserve needs were met in part by Treasury expenditures from balances at the Reserve Banks and in part by Federal Reserve purchases of Treasury bills. Reserve Banks continued to reduce their holdings of Treasury bonds and notes in response to a market demand for these issues.

During the four weeks ending June 16, Treasury bill holdings at member banks in 101 leading cities fluctuated widely, reflecting primarily sales and repurchases on option account by New York City banks in adjusting their reserve positions. Holdings of bonds and notes declined somewhat while certificate holdings increased. Loans to brokers and dealers in securities declined sharply during the period, as repayments were made on funds advanced for purchasing or carrying Government securities during the April War Loan Drive. Commercial loans continued to decline.

Government security prices advanced during May following the close of the Second War Loan Drive, but in the early part of June there were small declines.

Moody's Daily Commodity Index

Tuesday, June 22	243.0
Wednesday, June 23	243.5
Thursday, June 24	243.9
Friday, June 25	244.1
Saturday, June 26	244.2
Monday, June 28	243.8
Tuesday, June 29	243.3
Two weeks ago, June 15	244.6
Month ago, May 29	245.8
Year ago, June 29	229.4
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Federal Reserve May Business Indexes

The Board of Governors of the Federal Reserve System issued on June 23 its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board made available its customary summary of business conditions. The indexes for May, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings;
1939=100 for factory employment and payrolls;
1923-25 average = 100 for all other series

	Adjusted for —Seasonal Variation— May 1943	Apr. 1943	May 1942	Without —Seasonal Adjustment— May 1943	Apr. 1943	May 1942
Industrial production—						
Total	†203	203	174	†203	201	175
Manufactures—						
Total	†216	215	183	†216	214	183
Durable	†300	300	239	†302	300	240
Nondurable	†148	147	138	†147	145	137
Minerals	†129	131	126	†132	125	131
Construction contracts, value—						
Total	*	63	158	*	71	192
Residential	*	33	76	*	39	90
All other	*	87	226	*	98	275
Factory employment—						
Total	†168.1	168.4	149.1	†167.1	167.5	148.0
Durable goods	†225.8	225.7	184.2	†225.7	225.3	184.1
Nondurable goods	†122.7	123.2	121.4	†120.9	122.0	119.6
Factory payrolls—						
Total	---	---	---	*	309.4	228.7
Durable goods	---	---	---	*	430.2	300.0
Nondurable goods	---	---	---	*	191.4	159.0
Freight-car loadings	141	141	143	137	132	138
Department store sales, value	†122	128	108	†122	133	108
Department store stocks, value	*	†87	127	*	†91	130

*Data not yet available. †Preliminary or estimated.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on three-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation— May 1943	Apr. 1943	May 1942	Without —Seasonal Adjustment— May 1943	Apr. 1943	May 1942
Manufactures—						
Iron and steel	208	209	200	208	209	200
Pig iron	196	197	192	196	197	192
Steel	233	235	219	233	235	219
Open hearth and Bessemer	184	186	182	184	186	182
Electric	584	580	488	584	580	488
Machinery	†363	362	279	†363	362	279
Transportation equipment	†598	592	372	†598	592	372
Non-ferrous metals & products	†194	194	180	†194	194	180
Lumber and products	†122	124	130	†127	125	135
Lumber	†113	115	124	†120	115	131
Furniture	†141	143	143	†141	143	143
Stone, clay, & glass products	*	144	155	*	141	163
Cement	*	134	172	*	128	178
Polished plate glass	47	42	35	47	42	35
Textiles and products	†157	155	156	†157	155	156
Cotton consumption	169	166	175	169	166	175
Rayon deliveries	†185	181	169	†185	181	169
Wool textiles	*	156	150	*	156	150
Leather products	*	115	126	*	115	124
Tanning	*	115	129	*	115	126
Cattle hide leathers	*	131	148	*	131	145
Calf and kip leathers	*	92	94	*	89	90
Goat and kid leathers	*	90	105	*	93	102
Shoes	*	116	124	*	116	123
Manufactured food products	†148	150	134	†143	135	130
Wheat flour	†117	121	105	106	114	96
Meat packing	†162	143	140	†162	136	140
Other manufactured foods	†151	156	136	†138	137	123
Tobacco products	*	133	120	*	125	123
Cigars	*	108	108	*	103	107
Cigarettes	*	160	137	*	149	142
Manufactured tobacco & snuff	*	87	89	*	86	89
Paper and products	*	134	143	*	136	144
Paperboard	150	150	141	150	150	141
Newsprint production	*	89	104	*	89	105
Printing and publishing	†111	110	112	†114	116	115
Newsprint consumption	102	100	100	106	107	104
Petroleum and coal products	*	120	116	*	121	117
Petroleum refining	*	113	109	*	114	110
Gasoline	†103	101	103	†103	101	103
Fuel oil	*	144	122	*	144	122
Lubricating oil	*	114	122	*	118	127
Kerosene	*	121	100	*	124	101
Coke	†167	169	163	†167	169	163
Byproduct	†157	159	153	†157	159	153
Beehive	†502	519	508	†502	519	508
Chemicals	†220	217	167	†219	220	166
Minerals—						
Fuels	†128	131	121	†128	131	121
Bituminous coal	†143	151	147	†143	151	147
Anthracite	†124	129	115	†124	129	115
Crude petroleum	†122	124	111	†122	124	111
Metals	†136	133	157	†156	85	190
Iron ore	242	235	232	321	60	372

†Preliminary or estimated. *Data not yet available.

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

Coal	156	158	‡163	132	133	139
Coke	195	208	197	179	183	181
Grain	144	145	115	123	124	99
Livestock	112	118	98	101	105	‡88
Forest products	138	138	155	143	138	161
Ore	209	209	289	269	106	303
Miscellaneous	143	142	142	145	143	144
Merchandise, l.c.l.	62	62	62	62	63	62

‡Revised.

Note—To convert coal and miscellaneous indexes to points in total index, shown in the Federal Reserve Chart Book, multiply coal by .213 and miscellaneous by .548.

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended June 19, 1943, is estimated at 12,100,000 net tons, thus crossing the 12,000,000-ton mark for the first time since the middle of May. In the corresponding period last year, 11,006,000 tons were produced. For the present year to June 19, soft coal production was 1.9% in excess of that for the same period last year.

The U. S. Bureau of Mines estimated that the output of anthracite for the week ended June 19 was 1,345,000 tons, an increase of 28,000 tons (2.1%) over the preceding week. When compared with the output in the same week last year, there was an increase of 126,000 tons, or 10.3%. The calendar year to date shows a gain of 3.0%.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States in the week ended June 19 showed a decrease of 200 tons when compared with the output for the week ended June 12. The quantity of coke from beehive ovens increased 24,000 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
(In Net Tons—000 Omitted.)

Bituminous coal and lignite—	—Week Ended— June 19 1943	*June 12 1943	June 20 1942	—January 1 to Date— †June 19 1943	June 20 1942	June 19 1937
Total, incl. mine fuel	12,100	11,735	11,006	275,758	270,638	213,017
Daily average	2,017	1,956	1,834	1,911	1,873	1,485

*Revised. †Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

Penn. anthracite—	—Week Ended— §June 19 1943	¶June 12 1943	June 20 1942	—Cal. Year to Date— June 19 1943	June 20 1942	June 22 1929
*Total, incl. coll. fuel	1,345,000	1,317,000	1,219,000	28,828,000	27,987,000	34,160,000
†Commercial production	1,291,000	1,264,000	1,170,000	27,675,000	26,868,000	31,700,000
Beehive coke—						
United States total	160,100	136,100	179,900	3,740,800	3,879,900	3,200,600
By-product coke—						
United States total	1,197,700	1,197,900	1,186,700	29,575,700	28,766,400	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

State—	—Week Ended— June 12 1943	June 5 1943	June 13 1942	June 14 1941	June 12 1937	June Avge. ¶1923
Alabama	382	109	381	344	219	387
Alaska	6	5	5	4	3	**
Arkansas and Oklahoma	78	38	80	14	14	70
Colorado	136	24	115	87	87	175
Georgia and North Carolina	1	1	1	1	††	**
Illinois	1,458	285	1,149	806	561	1,243
Indiana	506	63	325	358	250	416
Iowa	36	16	35	34	16	88
Kansas and Missouri	144	94	126	84	75	128
Kentucky—Eastern	908	228	999	952	669	661
Kentucky—Western	310	170	246	146	115	183
Maryland	41	5	41	35	24	47
Michigan	5	††	7	††	3	12
Montana (bituminous and lignite)	87	45	49	45	39	38
New Mexico	29	8	31	26	27	51
North and South Dakota (lignite)	30	18	22	21	13	**14
Ohio	663	263	738	591	453	888
Pennsylvania (bituminous)	2,765	780	2,861	2,834	1,939	3,613
Tennessee	126	33	149	149	97	113
Texas (bituminous and lignite)	2	1	6	7	17	21
Utah	110	24	108	50	34	89
Virginia	418	120	408	398	218	240
Washington	22	18	39	30	34	44
*West Virginia—Southern	2,321	445	2,253	2,285	1,558	1,380
†West Virginia—Northern	1,005	203	890	792	540	856
Wyoming	145	39	139	92	85	104
‡Other Western States	1	††	1	1	††	**5
Total bituminous and lignite	11,735	3,035	11,204	10,186	7,090	10,866
§Pennsylvania anthracite	1,317	137	1,179	1,325	1,136	1,956
Total all coal	13,052	3,172	12,383	11,511	8,226	12,822

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Civil Engineering Construction

22% Above Week Ago

Civil engineering construction volume in continental U. S. totals $53,742,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 22% higher than in the preceding week, but is 66% lower than in the corresponding 1942 week as reported by "Engineering News-Record" on June 24. Public construction gains 33% over a week ago, but is down 67% compared with a year ago. Private construction is 49 and 58% lower, respectively, than last week and last year.

The current week's construction brings 1943 volume to $1,766,252,000, an average of $70,650,000 for each of the 25 weeks. On the weekly average basis, 1943 volume is 63% below the $4,905,294,000 reported for the 26-week period in 1942. Private construction, $222,484,000, is down 32%, and public construction, $1,543,768,000, is 65% lower than a year ago when adjusted for the difference in the number of weeks reported.

Civil engineering construction volumes in continental U. S. for the 1942 week, last week, and the current week are:

	June 25, 1942	June 17, 1943	June 24, 1943
Total U. S. Construction	$158,839,000	$44,234,000	$53,742,000
Private Construction	7,720,000	6,250,000	3,212,000
Public Construction	151,119,000	37,984,000	50,530,000
State and Municipal	11,682,000	3,671,000	4,544,000
Federal	139,437,000	34,313,000	45,986,000

In the classified construction groups, gains over a week ago are in bridges, public buildings, streets and roads, and unclassified construction. All classes of work are lower than a year ago. Subtotals for the week in each class of construction are: waterworks, $543,000; sewerage, $611,000; bridges, $463,000; industrial buildings, $412,000; commercial buildings, $1,975,000; public buildings, $26,834,000; earthwork and drainage, $315,000; streets and roads, $7,404,000; and unclassified construction, $15,185,000.

New capital for construction purposes for the week totals $729,000, and is made up entirely of state and municipal bond sales. The new construction financing total for the 25 weeks of 1943, $497,066,000, compares with $6,886,294,000 for the 26-week period in 1942.

Launches Post-War Conference Series

The National Association of Manufacturers has launched a new nation-wide series of regional conferences for post-war planning, the first of which was held in Cincinnati on June 21.

The feature of each of the regional conferences now undertaken by the NAM Post-War Committee is a discussion panel, designed to bring out the present state of post-war planning by individual corporations and local communities, and to stimulate them to further concrete solutions of post-war problems.

Next week another post-war conference will be held in Detroit. In August there will be similar regional conferences of West Coast industrialists in Seattle, Portland, San Francisco and Los Angeles. In September, conferences will be held in Philadelphia, Pittsburgh and other Eastern cities.

In announcing this new series, Wilfred Sykes, President of Inland Steel Co. and Chairman of the Post-War Committee, said: "We regard these conferences as of utmost importance because the practical answers to hundreds of realistic problems formulated by our Post-War Committee can only be expected to come from the individual enterprises and local communities."

Chicago Auditors Elect

CHICAGO, Ill.—William E. Harrison, Assistant Auditor of the City National Bank and Trust Co., Chicago, was elected President of the Chicago Bank Auditors Conference at its final meeting of the 1942-43 series, held June 10 at the Palmer House. Mr. Harrison has been serving the group as its Vice President. Other officers who moved up in accordance with the established tradition of succession, are: Philip H. Cordes, Auditor, Lake Shore Trust and Savings Bank, Vice President; and Donald J. MacDonald, Assistant Auditor, Northern Trust Co., Treasurer. The newly elected Secretary is Frederick C. Messenger, Auditor and Controller, of The Merchandise National Bank of Chicago. The Chicago Conference is one of the original members of the National Association of Bank Auditors and Comptrollers which is composed of 50 conferences, functioning in the principal banking centers of the nation.

Welcome Venezuela Consul

Capt. Alejandro Fernandez, Consul General of Venezuela in New York City, was honored on June 24 with a "welcome" luncheon by the Commerce and Industry Association of New York held at the Bankers Club, 120 Broadway. Neal Dow Becker, President of the Association, presided.

Included among the guests were Nicolas Veloz, First Vice-Consul of Venezuela; E. S. Crosby, President, Johns-Manville International Corp.; A. N. Gentes, Manager, Foreign Department, Guaranty Trust Co. of N. Y.; William M. Gavigan, President, Funch, Edye & Co., Inc.; M. Santalauria, Assistant Export Manager, Intertype Corp.; F. J. Emmerich, Block International Corp.; J. C. Case, Socony-Vacuum Oil Co.; Joseph T. Mackey, President, Mergenthaler Linotype Co.; Willis H. Booth, Chairman of Board, Sierra Talc Co.; Gerald Le Vino, Chairman, Foreign Trade Committee, Commerce and Industry Association; Thomas Jefferson Miley, Association's Secretary; and W. H. Mahoney, Manager, Association's Foreign Trade Bureau.

Daily Average Crude Oil Production For Week Ended June 19, 1943 Declined 21,650 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended June 19, 1943 was 3,966,150 barrels, a decrease of 21,650 barrels from the preceding week, and 252,750 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of June, 1943. The current figure, however, is 245,350 barrels per day more than produced in the week ended June 20, last year. Daily output for the four weeks ended June 19, 1943 averaged 3,964,300 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,905,000 barrels of crude oil daily and produced 11,152,000 barrels of gasoline; 1,652,000 barrels of kerosine; 3,734,000 barrels of distillate fuel oil, and 8,198,000 barrels of residual fuel oil during the week ended June 19, 1943; and had in storage at the end of that week 79,806,000 barrels of gasoline; 7,372,000 barrels of kerosine; 33,558,000 barrels of distillate fuel, and 67,455,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations June	*State Allowables Begin. June 1	Actual Production Week Ended June 19, 1943	Actual Production Change from Previous Week	4 Weeks Ended June 19, 1943	Week Ended June 20, 1942
Oklahoma	373,500	373,500	†334,100	— 550	330,150	377,600
Kansas	300,000	300,000	†302,200	— 3,500	294,600	279,850
Nebraska	2,400	------	†2,050	— 50	2,050	3,700
Panhandle Texas			90,100	----	90,400	88,400
North Texas			131,800	----	131,800	144,000
West Texas			228,950	----	228,250	204,850
East Central Texas			123,500	----	123,750	93,950
East Texas			334,900	----	336,350	362,750
Southwest Texas			207,350	+ 1,000	209,400	143,650
Coastal Texas			380,200	----	378,600	243,100
Total Texas	1,602,000	‡1,603,709	1,496,800	+ 1,000	1,498,550	1,280,700
North Louisiana			85,800	— 50	86,050	88,350
Coastal Louisiana			240,850	----	247,350	219,500
Total Louisiana	330,800	350,550	326,650	— 50	333,400	307,850
Arkansas	72,800	75,043	75,750	+ 1,950	73,850	73,800
Mississippi	50,000		53,400	+ 750	53,600	79,850
Illinois	246,200		216,400	—10,400	216,900	279,600
Indiana	15,500		15,200	+ 1,150	13,550	20,350
Eastern (not incl. Ill. Ind., Ky.)	88,400		77,900	— 1,450	78,800	86,100
Kentucky	23,100		21,400	— 350	21,850	11,800
Michigan	58,900		54,400	— 6,600	58,750	65,200
Wyoming	97,000		93,300	— 1,400	93,250	90,900
Montana	22,300		20,900	----	20,900	21,850
Colorado	7,000		7,150	— 50	7,000	6,350
New Mexico	105,700	105,700	97,150	----	97,000	64,900
Total East of Calif.	3,395,600		3,194,750	—19,550	3,194,200	3,050,400
California	823,300	§823,300	771,400	— 2,100	770,100	670,400
Total United States	4,218,900		3,966,150	—21,650	3,964,300	3,720,800

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in March, 1943, as follows: Oklahoma, 27,700; Kansas, 5,600; Texas, 105,800; Louisiana, 20,400; Arkansas, 2,500; Illinois, 10,600; Eastern (not including Illinois, Indiana or Kentucky), 9,700; Kentucky, 3,500; Michigan, 100; Wyoming, 2,200; Montana, 300; New Mexico, 5,500; California, 43,400.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m., June 17, 1943.

‡This is the net basic allowable as of June 1 calculated on a 30-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shut down for 10 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 10 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JUNE 19, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are ——therefore on a Bureau of Mines basis——

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,832	75.0	5,118	31,638	13,944	11,991
Appalachian	177	84.8	157	88.7	459	2,330	933	575
Ind., Ill., Ky.	824	85.2	711	86.3	2,345	17,203	4,609	3,181
Okla., Kans., Mo.	416	80.1	356	85.6	1,165	6,329	1,773	1,569
Rocky Mountain	147	54.1	106	72.1	314	1,846	339	603
California	817	89.9	743	90.9	1,751	20,460	11,960	49,536
Tot. U. S. B. of M. basis June 19, 1943	4,825	86.4	3,905	80.9	11,152	†79,806	33,558	67,455
Tot. U. S. B. of M. basis June 12, 1943	4,825	86.4	3,799	78.7	10,626	81,114	32,555	67,652
U. S. Bur. of Mines basis June 20, 1942			3,450		9,889	89,693	31,477	78,934

*At the request of the Petroleum Administration for War. †Finished, 69,499,000 barrels; unfinished, 10,307,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,652,000 barrels of kerosine, 3,734,000 barrels of gas oil and distillate fuel oil and 8,198,000 barrels of residual fuel oil produced during the week ended June 19, 1943, which compares with 1,459,000 barrels, 3,520,000 barrels and 7,674,000 barrels, respectively, in the preceding week and 1,150,000 barrels, 3,549,000 barrels and 6,615,000 barrels, respectively, in the week ended June 20, 1942.

Note—Stocks of kerosine amounted to 7,372,000 barrels at June 19, 1943, against 6,833,000 barrels a week earlier and 9,107,000 barrels a year before.

Wholesale Commodity Index Declined 0.5% During Week Ended June 19, Says Labor Dept.

The U. S. Department of Labor announced on June 24 that as a result of sharp declines in prices for meats, fruits and vegetables, the Bureau of Labor Statistics' index of commodity prices in primary markets dropped by 0.5% during the week ended June 19. At 103.5% of the 1926 average the all-commodity index is at the early May level, 0.3% lower than it was at this time last month.

The Department's announcement further stated:

"Farm Products and Foods—Markets for farm products dropped sharply and the average was down 0.5% during the week. Prices were lower for livestock, particularly calves, steers and hogs, and for wheat, hay, onions and potatoes. Grains advanced slightly, with increased prices for barley, oats and rye. In addition higher prices were reported for sheep, for cotton, eggs, and for apples in the New York market.

"Led by declines of 5.2% for meats, and 1% for fruits and vegetables, average prices for foods in primary markets fell 1.7%. Wheat flour and butter declined slightly. On the other hand, quotations were higher for rye flour and oatmeal.

"Industrial Commodities—There were very few changes in industrial commodity markets during the week. Petroleum products as a group advanced 0.2% as a result of higher prices for kerosene. Neutral oil in the Pennsylvania area was up over 4%. The movement in prices of coal was slight but varied in different cities. Turpentine and rosin declined fractionally as did also maple flooring and red cedar siding."

The following notation is made:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past three weeks, for May 22, 1943, and June 20, 1942, and the percentage changes from a week ago, a month ago and a year ago:

(1926=100)

Commodity groups—	6-19 1943	6-12 1943	6-5 1943	5-22 1943	6-20 1942	Percentage changes to June 19, 1943 from— 6-12 1943	5-22 1943	6-20 1942
All commodities	*103.5	*104.0	*103.9	*103.8	98.1	—0.5	—0.3	+ 5.5
Farm products	*127.0	*127.6	*126.3	*125.8	104.5	—0.5	+1.0	+21.5
Foods	109.0	110.9	110.6	110.3	98.4	—1.7	—1.2	+10.8
Hides and leather products	118.4	118.4	118.4	118.4	118.9	0	0	— 0.4
Textile products	96.9	96.9	96.9	96.9	97.3	0	0	— 0.4
Fuel and lighting materials	81.4	81.4	81.4	81.3	79.0	0	+0.1	+ 3.0
Metals and metal products	*103.9	*103.9	*103.9	*103.9	104.0	0	0	— 0.1
Building materials	110.4	110.4	110.4	110.3	109.9	0	+0.1	+ 0.5
Chemicals and allied products	100.2	100.2	100.2	100.2	97.2	0	0	+ 3.1
Housefurnishing goods	104.3	104.3	104.2	104.2	104.5	0	+0.1	— 0.2
Miscellaneous commodities	91.8	91.7	91.7	91.7	90.0	+0.1	+0.1	+ 2.0
Raw materials	*114.5	*114.8	*114.1	*113.8	98.7	—0.3	+0.6	+16.0
Semimanufactured articles	92.9	92.9	92.9	92.9	92.6	0	0	+ 0.3
Manufactured products	*100.0	*100.7	*100.9	*100.9	98.8	—0.7	—0.9	+ 1.2
All commodities other than farm products	*98.4	*98.9	*99.1	*99.1	96.7	—0.5	—0.7	+ 1.8
All commodities other than farm products and foods	*96.9	*96.9	*96.9	*96.9	95.9	0	0	+ 1.0

*Preliminary.

Non-Ferrous Metals—Domestic Copper Output May Be Lifted—Labor Supply Is Studied

Editor's Note.—At the direction of the Office of Censorship certain production and shipments figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of June 24, stated: "Though price developments in non-ferrous metals were insignificant during the last week, interest in lifting production remains high. The War Production Board has asked for increased production of domestic copper. The bottleneck is a shortage of labor. Endeavoring to obtain mine workers from the lead industry, officials in Washington learned last week that little could be expected from that quarter. The situation in zinc is no different. Postwar stockpiling looms large as a delicate problem in economics. Secondary-aluminum ingot prices were adjusted downward by OPA to bring the price structure in line with virgin metal quotations." The publication further went on to say:

Copper

Producers disposed of July allocations of copper during the last week, and the problem of marketing available supplies presented no difficulties. The price situation on both domestic and foreign copper remains unchanged.

The move (Scrugham bill) to stock-pile domestic production of copper in the postwar period is receiving increased attention among copper executives. The Government will own large stocks of both foreign and domestic copper and copper products when the war ends.

According to the Metal Bulletin, London, Boliden, having a plant in Sweden, is operating at a higher rate. It is believed that the company will soon be producing at the rate of 18,000 tons a year, about-half of Sweden's prewar consumption.

Effective June 21, Maximum Price Regulation 408 stabilizes the distributor's prices for brass mill products and services at October 1941 levels, and permits continuation of mark-ups over mill prices up to 3c. a pound on all items except pipe or water tube, OPA announced.

Foreign Commerce Weekly, issued by the Department of Commerce, reports that output of base metals in Northern Rhodesia has been maintained at a high level. Development of the copper mines has been so extended in recent years that annual production now rivals that of Canada.

Lead

Sales of common lead by domestic producers for the last week were about 50% less than in the week pervious. The decline in activity was in line with expectations. Quotations continued on the basis of 6.50c., New York, and 6.35c., St. Louis.

A review of the labor situation at lead mines that occurred in connection with the meeting of the industry's advisory group in Washington last week disclosed that domestic production has declined, owing to the labor developments, and miners cannot be spared for production elsewhere without disrupting schedules. WPB stated after meeting that the necessity exists for stepping up production of lead.

Zinc

Canada is producing about 20% of the United Nations' zinc supply, according to C. D. Howe, Munitions Minister.

Zinc allocations for July are expected to come through in volume shortly, which will be followed by the usual active period for moving metal to consumers. The price situation continues unchanged, Prime Western holding at 8¼c., East St. Louis.

Tin

The movement of tinned scrap, including used tin cans, last week was placed under the control of the Salvage Division, WPB. Formerly, control was in the hands of the Tin-Lead Division.

Quotations for tin remain unchanged. Straits quality tin for shipment was as follows:

	June	July	August
June 17	52.000	52.000	52.000
June 18	52.000	52.000	52.000
June 19	52.000	52.000	52.000
June 21	52.000	52.000	52.000
June 22	52.000	52.000	52.000
June 23	52.000	52.000	52.000

Chinese, or 99% tin, continues at 51.125c. a pound.

Magnesium

C. D. Howe, Munitions Minister of Canada, disclosed recently that $4,169,504 has been advanced to the Dominion Magnesium Co. by the government, and that total production to April 30 of this year was 1,186 tons. Average operating cost for March was 36.042c. a pound, and total cost 39.709c. Capacity of the plant is 10 tons of magnesium ingot a day.

Quicksilver

Canada now produces 20% of the combined quicksilver output of the United Nations, according to Munitions Minister C. D. Howe. This would indicate that Canada is producing more quicksilver than Mexico, with the United States still firmly set as the most important source of supply.

The price situation in quicksilver remains unchanged. Metals Reserve is making metal available to those consumers who require large supplies to fill rush orders. Quotations in New York held at $196@$198 per flask.

Silver

The Senate last week passed a bill which provides for the sale or lease of Treasury silver for industrial purposes. On silver held as backing for currency, the measure stipulates that ownership of the metal must be retained by the Treasury. The bill now goes to the House.

During the last week the silver market in London has been quiet and unchanged at 23½d.

The New York Official and the United States Treasury prices also were unchanged at 44¾c. and 35c., respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Revenue Freight Car Loadings During Week Ended June 19, 1943 Increased 13,755 Cars

Loading of revenue freight for the week ended June 19, 1943 totaled 868,241 cars, the Association of American Railroads announced on June 24. This was an increase above the corresponding week of 1942 of 23,328 cars, or 2.8%, but a decrease below the same week in 1941, of 17,298 cars or 2.0%.

Loading of revenue freight for the week of June 19 increased 13,755 cars, or 1.6% above the preceding week.

Miscellaneous freight loading totaled 386,596 cars, an increase of 5,182 cars above the preceding week, and an increase of 6,778 cars above the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 98,209 cars, a decrease of 554 cars below the preceding week, but an increase of 4,134 cars above the corresponding week in 1942.

Coal loading amounted to 176,829 cars, an increase of 6,416 cars above the preceding week, and an increase of 12,359 cars above the corresponding week in 1942.

Grain and grain products loading totaled 49,708 cars, an increase of 4,242 cars above the preceding week, and an increase of 10,762 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of June 19 totaled 35,718 cars, an increase of 4,793 cars above the preceding week and an increase of 9,544 cars above the corresponding week in 1942.

Live stock loading amounted to 11,198 cars, a decrease of 1,693 cars below the preceding week, but an increase of 167 cars above the corresponding week in 1942. In the Western Districts alone, loading of live stock for the week of June 19, totaled 7,793 cars, a decrease of 1,076 cars below the preceding week, and a decrease of 240 cars below the corresponding week in 1942.

Forest products loading totaled 45,022 cars, an increase of 724 cars above the preceding week but a decrease of 4,948 cars below the corresponding week in 1942.

Ore loading amounted to 86,365 cars, a decrease of 982 cars below the preceding week and a decrease of 5,899 cars below the corresponding week in 1942.

Coke loading amounted to 14,214 cars, an increase of 420 cars above the preceding week, but a decrease of 25 cars below the corresponding week in 1942.

All districts reported increases compared with the corresponding week in 1942, except the Southern and Northwestern and all districts reported decreases under 1941 except the Southwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,703	4,170,548	4,160,060
Week of June 5	667,575	854,689	852,940
Week of June 12	854,486	832,635	862,974
Week of June 19	868,241	844,913	885,539
Total	19,336,178	20,209,983	18,942,128

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended June 19, 1943. During this period 78 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED JUNE 19

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	244	359	641	1,643	1,310
Bangor & Aroostook	936	924	1,380	178	251
Boston & Maine	6,335	5,766	9,013	15,169	14,634
Chicago, Indianapolis & Louisville	1,401	1,530	1,422	2,068	2,053
Central Indiana	44	29	22	50	50
Central Vermont	1,023	953	1,468	2,687	2,637
Delaware & Hudson	6,651	6,362	7,023	12,331	11,464
Delaware, Lackawanna & Western	8,209	7,983	10,591	13,576	10,508
Detroit & Mackinac	206	313	365	130	132
Detroit, Toledo & Ironton	1,904	1,638	3,031	1,410	1,171
Detroit & Toledo Shore Line	301	240	436	2,656	2,557
Erie	13,423	13,192	16,387	19,186	17,052
Grand Trunk Western	3,912	3,702	6,693	8,519	7,638
Lehigh & Hudson River	194	182	210	2,317	3,456
Lehigh & New England	2,142	2,072	2,447	1,802	2,086
Lehigh Valley	9,216	8,939	10,361	15,207	13,006
Maine Central	2,194	2,026	3,333	2,265	2,570
Monongahela	6,552	6,412	6,375	418	359
Montour	2,479	2,428	2,407	144	29
New York Central Lines	56,826	46,946	53,956	54,939	54,818
N. Y., N. H. & Hartford	9,995	9,722	12,314	18,194	19,577
New York, Ontario & Western	1,667	1,195	1,378	2,238	2,527
New York, Chicago & St. Louis	6,559	7,117	6,971	16,329	16,393
N. Y., Susquehanna & Western	557	525	435	1,538	1,579
Pittsburgh & Lake Erie	7,372	8,238	8,896	9,447	9,429
Pere Marquette	5,016	5,390	7,451	7,697	6,198
Pittsburg & Shawmut	1,001	785	658	35	22
Pittsburg, Shawmut & North	358	390	476	302	261
Pittsburgh & West Virginia	1,183	1,145	1,210	3,582	3,666
Rutland	331	326	577	1,086	928
Wabash	5,396	5,263	6,427	13,301	12,519
Wheeling & Lake Erie	6,584	6,227	5,487	5,026	4,958
Total	170,216	158,319	189,891	235,470	225,838
Allegheny District—					
Akron, Canton & Youngstown	846	632	746	1,145	1,057
Baltimore & Ohio	43,250	41,329	41,768	31,411	26,945
Bessemer & Lake Erie	6,595	7,488	7,340	1,922	2,646
Buffalo Creek & Gauley	*302	284	249	*4	3
Cambria & Indiana	1,626	2,052	2,017	7	8
Central R. R. of New Jersey	7,245	7,143	8,702	23,431	19,016
Cornwall	627	690	691	43	58
Cumberland & Pennsylvania	295	253	330	11	10
Ligonier Valley	152	151	97	32	57
Long Island	1,108	776	830	3,981	3,293
Penn-Reading Seashore Lines	1,753	1,729	1,762	3,100	2,362
Pennsylvania System	82,949	84,043	89,129	67,641	64,411
Reading Co.	14,690	13,864	17,992	29,028	27,614
Union (Pittsburgh)	21,374	21,344	20,156	7,758	8,109
Western Maryland	4,210	4,321	4,278	12,567	12,266
Total	187,022	186,099	196,087	182,081	167,855
Pocahontas District—					
Chesapeake & Ohio	29,840	28,697	29,072	14,336	13,413
Norfolk & Western	23,053	23,387	24,619	7,326	7,240
Virginian	4,890	4,747	4,811	2,078	2,133
Total	57,783	56,831	58,502	23,740	22,786
Southern District—					
Alabama, Tennessee & Northern	284	358	381	312	292
Atl. & W. P.—W. R. R. of Ala.	573	654	807	2,680	2,415
Atlanta, Birmingham & Coast	746	772	793	1,275	1,042
Atlantic Coast Line	13,130	13,072	11,309	10,403	8,728
Central of Georgia	3,941	4,406	4,497	4,339	4,237
Charleston & Western Carolina	459	392	460	1,815	1,547
Clinchfield	1,733	1,723	1,694	2,692	2,756
Columbus & Greenville	329	286	351	133	200
Durham & Southern	102	136	196	765	1,009
Florida East Coast	1,689	799	455	1,860	687
Gainesville Midland	34	34	39	106	188
Georgia	1,181	1,453	1,148	3,044	2,905
Georgia & Florida	364	383	442	517	464
Gulf, Mobile & Ohio	3,512	4,017	3,805	4,233	3,993
Illinois Central System	25,349	25,561	23,707	19,315	16,126
Louisville & Nashville	25,042	26,395	26,671	12,436	10,170
Macon, Dublin & Savannah	199	160	170	766	764
Mississippi Central	105	174	171	351	553
Nashville, Chattanooga & St. L.	3,320	3,845	3,807	4,896	3,948
Norfolk Southern	1,448	2,799	1,718	1,554	1,799
Piedmont Northern	355	348	474	1,299	1,075
Richmond, Fred. & Potomac	833	517	408	11,045	10,734
Seaboard Air Line	10,232	11,446	10,255	7,843	8,059
Southern System	20,842	22,944	25,421	23,427	21,815
Tennessee Central	563	609	567	1,007	1,116
Winston-Salem Southbound	100	80	141	854	883
Total	116,555	123,453	119,887	118,967	107,505
Northwestern District—					
Chicago & North Western	19,465	21,603	22,263	13,162	12,399
Chicago Great Western	2,878	1,977	2,882	2,959	3,002
Chicago, Milw., St. P. & Pac.	19,899	18,223	22,427	11,208	9,884
Chicago, St. Paul, Minn. & Omaha	3,155	3,329	3,904	3,688	3,551
Duluth, Missabe & Iron Range	27,422	28,422	24,048	403	318
Duluth, South Shore & Atlantic	1,230	1,809	1,200	537	524
Elgin, Joliet & Eastern	8,249	9,802	10,535	10,937	10,321
Ft. Dodge, Des Moines & South	441	523	623	146	119
Great Northern	26,203	25,476	24,165	6,212	5,529
Green Bay & Western	438	496	591	1,008	707
Lake Superior & Ishpeming	3,410	2,541	2,563	22	56
Minneapolis & St. Louis	1,912	2,048	1,969	2,219	2,547
Minn., St. Paul & S. S. M.	7,021	7,748	7,904	3,029	3,286
Spokane International	11,352	11,014	10,792	5,486	4,973
Northern Pacific	*97	102	332	*522	427
Spokane, Portland & Seattle	2,808	2,607	2,720	3,361	2,966
Total	135,980	137,810	138,918	64,899	60,609
Central Western District—					
Atch., Top. & Santa Fe System	25,092	24,460	25,463	11,861	10,474
Alton	2,896	3,040	3,749	4,666	4,393
Bingham & Garfield	616	724	665	82	121
Chicago, Burlington & Quincy	17,930	15,545	17,421	11,536	10,627
Chicago & Illinois Midland	3,155	2,405	2,670	709	855
Chicago, Rock Island & Pacific	12,514	11,888	14,266	13,289	11,368
Chicago & Eastern Illinois	2,423	1,820	2,762	5,733	2,762
Colorado & Southern	802	701	671	1,795	1,858
Denver & Rio Grande Western	3,275	3,243	2,222	5,880	5,073
Denver & Salt Lake	675	566	373	18	15
Fort Worth & Denver City	1,310	1,398	1,428	2,338	1,194
Illinois Terminal	1,846	1,863	2,073	2,284	2,361
Missouri-Illinois	1,048	1,255	1,143	471	368
Nevada Northern	2,070	2,027	2,091	128	119
North Western Pacific	1,076	1,118	843	704	487
Peoria & Pekin Union	7	11	12	0	0
Southern Pacific (Pacific)	32,897	30,313	31,543	14,231	9,998
Toledo, Peoria & Western	232	257	299	1,800	1,514
Union Pacific System	12,919	12,546	14,915	17,001	12,273
Utah	494	597	296	5	6
Western Pacific	2,179	2,105	1,732	4,405	3,380
Total	125,456	117,882	126,637	98,936	79,246
Southwestern District—					
Burlington-Rock Island	1,041	177	222	200	165
Gulf Coast Lines	5,146	4,441	2,494	2,706	2,262
International-Great Northern	2,849	2,809	2,303	3,435	2,600
Kansas, Oklahoma & Gulf	244	345	286	938	1,090
Kansas City Southern	6,001	4,916	2,446	2,988	2,757
Louisiana & Arkansas	4,102	3,640	2,152	2,782	2,083
Litchfield & Madison	340	321	371	1,358	1,307
Midland Valley	714	662	474	290	220
Missouri & Arkansas	167	145	187	385	292
Missouri-Kansas-Texas Lines	6,246	5,266	4,436	5,692	4,078
Missouri Pacific	17,397	15,363	16,982	18,391	17,170
Quanah Acme & Pacific	131	109	77	316	154
St. Louis-San Francisco	8,762	8,673	9,035	9,310	7,670
St. Louis Southwestern	3,524	2,710	2,778	6,570	6,671
Texas & New Orleans	13,578	10,234	7,347	6,283	4,364
Texas & Pacific	4,868	4,571	3,826	7,292	6,860
Wichita Falls & Southern	101	112	187	55	45
Weatherford M. W. & N. W.	18	25	14	19	35
Total	75,229	64,519	55,617	69,010	59,823

*Previous week figure.
Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90
Apr. 10	153,260	153,006	510,784	95	91
Apr. 17	164,805	152,494	515,700	96	92
Apr. 24	159,231	155,163	517,473	97	92
May 1	147,212	135,924	525,287	89	92
May 8	165,871	153,934	522,336	96	92
May 15	177,968	151,653	561,571	96	93
May 22	142,673	152,960	548,911	96	93
May 29	151,308	150,504	545,673	95	93
Jun. 5	168,051	141,337	565,291	92	93
Jun. 12	172,437	149,675	586,183	97	93
Jun. 19	136,166	142,865	561,945	95	93

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

President Pleased By Stalin Accord

President Roosevelt told his press conference on June 4 that the understanding and accord between him and Premier Josef Stalin of the Soviet Union is excellent but declined to disclose the nature of the communications exchanged.

Joseph E. Davies, the President's special emissary, who conveyed a letter from Mr. Roosevelt to Mr. Stalin in Moscow, returned to Washington on June 3 with the Soviet Premier's letter of reply. No intimation has been given as to the contents of either message but it is generally believed that the communication involved a suggestion for a personal meeting.

A previous item regarding Mr. Davies' trip appeared in our issue of June 3, page 2086.

Treasury Urges Prompt Filing Of Certificates On Withholding Exemption

Secretary of the Treasury Morgenthau is urging all wage earners to promptly fill out withholding exemption certificates as the first requirement of the new system of collecting income tax at the source on wages. The Current Tax Payment Act of 1943 becomes effective July 1. Information concerning family status supplied by employees to employers on these certificates, Mr. Morgenthau said, will determine the amount of wages to be withheld.

The Treasury estimated on June 16 that sums withheld will not exceed 12% of gross pay for the majority of wage earners. The law requires employers to withhold 20% of all wages and salaries over and above exemptions, but because of these exemptions, the Treasury said, the percentage of withholdings to gross pay will vary with individual wage earners, depending on income and family status.

In Associated Press advices, the following was also reported:

For a single person with no dependents the withholdings will range from 6.3% of gross wages for a person earning $17.50 a week to 17.5% for a person earning $95 a week. For a married person with no dependents the percentage of withholdings will range from 1.1% on a salary of $17.50 a week to 14.9% on a salary of $95 a week.

For a married person with one dependent the percentage for the same wage brackets will range from 1.1% to 13.7% and for a married person with two dependents from 1.1% to 12.4%.

Lumber Movement—Week Ended June 19, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 465 mills reporting to the National Lumber Trade Barometer were 5.5% below production for the week ended June 19, 1943. In the same week new orders of these mills were 2.6% less than production. Unfilled order files in the reporting mills amounted to 105% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 36 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 11.2%; orders by 15.3%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 31.7% greater; shipments were 33.6% greater, and orders were 38.8% greater.

Items About Banks, Trust Companies

At its meeting on June 24, the Board of Directors of The Public National Bank and Trust Co. of New York voted to transfer $2,000,000 from undivided profits to surplus account. As of June 30, therefore, capital stands at $7,000,000, surplus $9,000,000 and undivided profits approximately $2,900,000. This transfer does not affect the bank's reserves, which remain unchanged.

At a meeting of the Board of Directors of the Grace National Bank of New York on June 23, Luis Aguirre-Edwards, Manager of the Foreign Department, was appointed Vice-President. Mr. Aguirre-Edwards was born in Chile and has been associated with the Grace National Bank for the past 19 years in the Foreign Department, during which time he has been in charge of the bank's South American business.

Arthur S. Kleeman, President of the Colonial Trust Co. of New York, announces that Freeman Koo, son of Dr. Wellington Koo, Chinese Ambassador to Great Britain, has joined the Foreign Department of the bank.

Graham H. Anthony, President of Veeder-Root, Inc., of Hartford, Conn., was elected a trustee of The New York Trust Company at a meeting of the trustees on June 29. A graduate of the University of North Carolina, Mr. Anthony has been chief executive of Veeder-Root, Inc., since 1932. He is also a director of the Colts Patent Firearms Manufacturing Co., Hartford Electric Light Co., Hartford National Bank & Trust Company, Aetna Insurance Co., Connecticut Mutual Life Insurance Co., Holo-Krome Screw Corp., Billings & Spencer Co. and Mechanics Savings Bank of Hartford.

The County Trust Co. of White Plains, N. Y., has filed application with the State Banking Department for permission to change the location of a branch office from 26 Wheeler Avenue, Pleasantville, to the southeast corner of Wheeler Avenue and Bedford Road. This application was filed in connection with the purchase of assets and assumption of deposit liabilities of the First National Bank of Pleasantville which is situated at the proposed location. Plans for consolidation of the two institutions were reported in these columns June 10, page 2196.

The State Bank of Newfane, Newfane, N. Y., has been authorized by the State Banking Department to increase its capital stock from $60,000, consisting of 600 shares of the par value of $100 each, to $75,000, consisting of 750 shares of the par value of $100 each.

The election of Ebert B. Johnson as President and a Director of the First National Bank, Springfield, N. J., was announced by the Board of Directors on June 24. Mr. Johnson, who is Traffic Manager of I. T. Williams & Sons, New York, succeeds the late Gabriel Larsen. Mr. Johnson is also a Director of the Battle Hill Building and Loan Association of Springfield.

Roland L. Taylor, retired Philadelphia banker, died on June 23 at his home in Gwynedd Valley, Pa., at the age of 74. At the time of his death, Mr. Taylor was Chairman of the Board of the Tubize Chatillon Corp. A native of Philadelphia, Mr. Taylor started his banking career with Barker Brothers & Co., Philadelphia, in 1887. Later he was connected with the Real Estate Trust Co. and in 1910 became President of the Philadelphia Trust Co. Shortly afterward Mr. Taylor became a member of William A. Read & Co., which later became Dillon, Read & Co. He remained a member of this firm until his retirement last year.

Directors of the Manufacturers National Bank of Detroit, Mich., have elected Benson Ford a director of the bank, succeeding his father, the late Edsel B. Ford, founder of the Bank in 1933. Mr. Ford is a director of the Ford Motor Company and is now in active service as a lieutenant in the United States Army.

Paul S. Dick, President of the United States National Bank of Portland, Ore., announced the election of David B. Simpson to the bank's Board of Directors. Mr. Simpson is Vice-President and Secretary of Norris, Beggs & Simpson of Portland and President of the Portland Chamber of Commerce. In 1938 he was elected Vice-President of the National Association of Real Estate Boards and in 1941 became President of that body.

ABA To Aid In Solving Small Plants Problem

As a further aid to small business in fitting into production for both materials of war and essential civilian goods, the active support of the American Bankers Association has been enlisted, it was announced June 21 by Brig. Gen. Robert W. Johnson, Chairman of the Smaller War Plants Corporation. The action comes as a direct result of numerous conferences between officials of SWPC and the ABA.

General Johnson issued excerpts from a letter which he received from W. L. Hemingway, President of the American Bankers Association, which read:

"Bankers are close to the problems of small plants and are very much interested in their welfare, so I am sure that they will gladly take advantage of this opportunity to help solve the problems of small business. They will do this not only because it is good business for them to do so, but also because it will benefit the community and further the war effort.

"While this is a national problem, we believe that the quickest and most effective solution will come about through the cooperation of the State Bankers Associations directing the efforts of local groups and individual banks. I am, therefore, writing to the President, Vice-President and Secretary of each of the State Bankers Associations, askng for their cooperation. . . ."

Mr. Hemingway's statement was in reply to General Johnson's letter, which said: "The problems of small business properly cannot be regarded as the exclusive responsibility of the Federal Government. They must rather be viewed as problems of even more vital concern to each community in which such distressed enterprises are located. For, inevitably, the difficultes and hardshps that develop have their immediate and most damaging effects in local cities and towns.

"We believe that the members of ABA can perform a tremendously valuable service in helping solve the problem of smaller plants, which are adversely (and mostly through no fault of their own) affected by the war. We believe, too, that both business and patriotic motives will prompt your members to recognize and carry out the important role they can play. In the interests of our common welfare, we need and solicit such bank help."

The ABA is also arranging to have officials of the SWPC appear at State banking meetings to explain the details and operations of the plan.

Mr. Hemingway has sent to officers of State Bankers Associations an outline of the corporation's program for helping small plants locally.

The SWPC ten-point program is as follows:

1. To analyze manufacturing accounts, loans, etc., to determine what companies having relations with the banks are adversely affected by the impact of war and limitations on their normal operations.
2. To consult the heads of such firms and determine in what lines of local manufacture—military or otherwise—each firm could apply its facilities, and manpower.
3. To examine the possibility of the larger and busier manufacturing customers of the bank sharing some part of their load with such distressed smaller plants.
4. To arrange meetings at banks or in plants of representatives of both groups between whom such collaboration appears to be possible.
5. To act as liaison in effecting some working plan between them.
6. To enlist when needed the services of Smaller War Plants Corporation's nearest field office for handling any special elements of a technical or financial nature, which cannot be covered by the banks or manufacturers involved.
7. To coordinate such activities of a given bank with similar action of other banks in order to effect such manufacturing arrangements with such other banks' customers when the clients of any single bank cannot effectively be matched.
8. To obtain special price allowances, through the Smaller War Plants Corporation when cost differentials would otherwise defeat such a "share-the-work" arrangement.
9. To learn from a representative of the Smaller War Plants Corporation's nearest office the purposes, policies, procedures, which SWPC has set up to help solve the problems of small business.
10. To be a constructive, alert, resourceful intermediary in bringing about such broader distribution of the current production load, so that by such increased participation on the part of the smaller enterprises, local values, payrolls, etc., may be more soundly sustained and the unearned penalties of war may not crush and kill the numerous and valuable firms thus affected.

War Bond Sales Down Due To Income Taxes

War bond purchases were reduced sharply this month, possibly to meet the heavy second quarter tax bill which fell due on June 15.

The Treasury's daily statement issued June 16 showed that during the first 14 days of this month sales of war savings bonds totaled $331,218,987, the lowest level in the last three quarterly tax payment periods.

Associated Press Washington advices also reported:

Redemptions of war savings bonds so far this month amounted to $64,685,968.

June war bond sales are running about half what they were in May when a total of $779,415,477 was sold in the first 14 days of the month. April sales for a similar period amounted to $343,121,344.

Although war bond purchases this month dropped, bond sales for the fiscal year which began last July 1 are substantially ahead of sales for a similar period in the 1942 fiscal year. The Treasury's statement showed that war bond sales for the fiscal 1943 year totaled $11,357,591,108 compared with $5,742,861,477 in the corresponding period in the 1942 fiscal year.

Banks Increase Gifts To Greater N. Y. Fund

Gifts to the Greater New York Fund's 1943 campaign from commercial banks and trust companies in Manhattan are 24½% higher than they were in 1942, according to a report made to W. Randolph Burgess, campaign chairman, by Pierpont V. Davis, President of Harriman, Ripley and Co., who is Chairman of the Finance Section of the Fund's campaign, and Harry E. Ward, Chairman of the Board of the Irving Trust Co. and also Chairman of the Banks and Trusts Division of the appeal.

Mr. Davis and Mr. Ward told Mr. Burgess that 52 commercial banks and trust companies had contributed $344,550 this year, which is an increase of $70,420 over the gifts from the same companies last year. The Greater New York Fund, in setting a minimum goal of $4,500,000 for the current campaign, asked publicly owned corporations to increase their gifts this year by at least 25%.

"The Greater New York Fund is most grateful to you," Mr. Burgess told Mr. Davis and Mr. Ward, "for the splendid record you have made in our appeal. The commercial banks and trust companies of New York also are to be congratulated on their generous response to the Fund's plea on behalf of the 406 voluntary welfare and health agencies and hospitals affiliated with it."

The Fund's appeal is limited to business firms and employee groups. It seeks money to help support the 406 voluntary welfare and health agencies and hospitals affiliated with it. The agencies must raise $21,000,000 this year from the generosity of the public. Of that amount approximately $16,500,000 is expected to be raised by the agencies in their individual appeals. The remaining $4,500,000—the Fund's minimum goal to be raised from business firms and employee groups—represents a vital share in maintaining the agencies' services at their present levels, Mr. Burgess explained.

A total of 7,073 volunteers are canvassing the business field of New York to put the Fund's 1943 campaign over the top.

A previous reference to contributions to the Fund appeared in our issue of June 24, page 2388.

May Lend-Lease Aid Totaled $790,000,000

Edward R. Stettinius, Jr., Lend-Lease Administrator, announced on June 20 that lend-lease aid during May amounted to $790,000,000, bringing the total since the beginning of the lend-lease program to $11,893,000,000. Of this amount, $9,930,000,000 represents goods transferred and $1,963,000,000 services rendered (rental and repair of ships, etc.). Of the amount for the month of May, $716,000,000 was for goods transferred and $74,000,000 for services rendered. The advices from the OWI stated:

"Mr. Stettinius pointed out that the total of transfers and services represents the best over-all measure of lend-lease aid. He said, however, that exports, since they show the amount of goods actually leaving this country and where the goods are going, give a better picture of the part being played by lend-lease on the various fronts of the war. Cumulative exports of lend-lease goods to the end of April, the last month for which these figures are available, totaled $8,260,000,000. Exports for the month of April totaled $839,000,000, the highest mark ever reached in a single month."

The announcement gave the following additional details:

"The difference between the cumulative value of goods transferred under lend-lease and the value of lend-lease exports is due to three factors—the value of ships transferred to lend-lease countries and sailed to their destination under their own power; goods turned over to lend-lease countries and used in the United States; and good transferred but not yet exported.

"These three items are included in lend-lease transfers but not in lend-lease exports. In addition to these differences, Mr. Stettinius pointed out that the cumulative figures on lend-lease transfers cover one month more than the figures on exports.

"Exports of munitions to April 30, 1943, amounted to $4,278,000,000, or 52% of total lend-lease exports; exports of industrial materials amounted to $2,177,000,000, or 26%; and exports of food and other agricultural products amounted to $1,805,000,000, or 22%. Food-stuffs constitute the most important single item of lend-lease exports, totaling $1,495,000,000, with aircraft second, totaling $1,387,000,000.

"In April, munitions led all exports with $512,000,000, or 61% of the total; industrial materials comprised $205,000,000, or 24%; and food and other agricultural products $122,000,000, or 15%. Exports of munitions and industrial items exceeded those of the preceding month by $127,000,000 and $29,000,000 respectively; food and other agricultural products declined by $29,000,000. Among the individual items of exports, aircraft led for the month with $186,000,000, followed in order by tanks, foodstuffs, ammunition, metals, motor vehicles, machinery, general industrial items, ordnance, petroleum products, agricultural products other than foodstuffs and watercraft.

"In April, exports of lend-lease goods to United Kingdom totaled $363,000,000, those to Russia amounted to $233,000,000 and to Africa and the Middle East $111,000,000. The increasing importance of exports to the U.S.S.R. is indicated by the fact that her total is now $2,123,000,000, or 26% of all lend-lease exports, despite the fact that she did not begin to receive aid until the latter part of 1941."

ODT Clarifies Order On Parcel Delivery

In answer to consumer and retailer queries, the Office of Defense Transportation on June 19 clarified its new regulation issued June 16 on package deliveries as applied to mail, phone and other special retail orders in the Eastern gasoline shortage area. The ODT advices on June 19 stated:

"Merchandise purchased by mail or phone cannot be sent to consumers by store or city delivery truck if the package weighs less than five pounds or measures under 60 inches in combined length and girth. Restrictions, the ODT added, do not apply to ordinary retail store use of U. S. Mail channels.

"Purchases needing alteration or processing may be delivered in the usual manner provided the processing is done as part of the original sale.

"No pick-up of exchanges, delivery COD purchases or other special services on under-size packages may be made by delivery trucks. At the retail store's discretion, however, such special service may be rendered by messengers using bicycles, regular local passenger transit facilities or by walking."